



---

Abu-Arja, Ahmad (2019) The role of Jordanian multinationals in countering terrorism and enhancing security: a stakeholder approach. Doctoral thesis (PhD), Manchester Metropolitan University.

---

**Downloaded from:** <https://e-space.mmu.ac.uk/623059/>

**Usage rights:** Creative Commons: Attribution-Noncommercial-No Derivative Works 4.0

Please cite the published version

<https://e-space.mmu.ac.uk>

THE ROLE OF JORDANIAN MULTINATIONALS IN  
COUNTERING TERRORISM AND ENHANCING SECURITY:  
A STAKEHOLDER APPROACH

A. ABU-ARJA

PhD 2019

THE ROLE OF JORDANIAN MULTINATIONALS IN  
COUNTERING TERRORISM AND ENHANCING SECURITY:  
A STAKEHOLDER APPROACH

AHMAD ABU-ARJA

A thesis submitted in partial fulfilment of the requirements of  
Manchester Metropolitan University  
for the degree of Doctor of Philosophy

Department of Economics, Policy and International Business  
Faculty of Business and Law  
Manchester Metropolitan University

2019

## **Abstract**

Terrorism is considered one of the most growing global problems in modern history. Despite the devastating impact terrorism has on politics, the economy and global trade, governments are yet to design effective strategies to counter the phenomenon and enhance the overall security of nations. In light of this, this study contributes to the overall cause and the call for investigating the role of the private sector in countering terrorism. This examination is supported by the application of corporate social responsibility and responsiveness concepts, and the utilisation of the existing stakeholder theory framework. In this regard, the overarching aim of this thesis is to investigate the likelihood of firms to implement social response strategies to reduce or eliminate the impact of terrorism. For the purposes of achieving this aim, the study commissioned the data collection process from a sample of Jordanian multinational corporations. Given their firm-specific capabilities, access to resources and capital, multinational corporations are known for their abilities to contribute to social and economic development worldwide. Additionally, while the multinational is the unit of analysis in this thesis, the choice of Jordan as the location to conduct this study contributes to the lack of research on developing countries, especially in a geographic area that is known for its propensity to being affected by terrorism.

By applying the quantitative approach and the survey method, the distribution of a questionnaire to the responding sample of Jordanian multinationals yielded unique empirical results. When examining the relationship between a number of factors and firms' likelihood to implement the variety of response strategies, the results indicated that the secondary stakeholders' pressures, those represented by governments, the media, communities and NGOs have the most significant influence on firms' likelihood to implement such strategies. Likewise, the results indicated that other factors such as the firms' level of exposure to terrorism and firm-specific characteristics such as firm size and firm age have a partial influence on the implementation of said strategies. Conversely, this study found no significant relationship between primary stakeholders and the likelihood to implement response strategies to counter terrorism and enhance security. The discussion of these results, the contribution to existing knowledge and the research implications are provided later in this thesis.

## **Declaration**

This thesis is submitted in partial fulfilment of the requirements of the Manchester Metropolitan University for the degree of Doctor of Philosophy. No portion of the work referred to in this thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institution of learning.

## **Conferences publications**

The following related publications have previously been presented in academic conferences, and can be found in conference proceedings:

Abu-Arja, A. (2017). The role of Jordanian multinationals in countering terrorism and enhancing security; a stakeholder approach. The 44th Annual Academy of International Business- United Kingdom and Ireland Chapter- Conference, Reading, UK.

Abu-Arja, A. (2016). Intervention in violent conflict through corporate social responsibility; a survey of Business students' perception. The 19th Annual Doctoral Symposium. Manchester, Manchester Metropolitan University Business School.

Abu-Arja, A. (2015). The role of the private sector in countering terrorism; a corporate social responsibility analysis. The 18th Annual Doctoral Symposium. Manchester, Manchester Metropolitan University Business School. (*Received the 'Best Paper' award*).

## **Acknowledgments**

First and foremost, I would like to express my sincerest appreciation to my supervisory team. It is without doubt that this thesis would not have been completed without the guidance, support and patience of my Director of Studies Dr. David Freund and my supervisor Dr. Qi Cao. During my time as a PhD candidate, Dr. Freund and Dr. Cao have both been the voice of reason and experience. The continuous academic support they offered throughout this journey has been substantial to its completion. They have also been an integral part of my PhD experience. Their patience and their motivational, emotional as well as academic support throughout this whole process have been incredibly encouraging for me to achieve.

I would also like to extend my gratitude to Professor Hamed El-Said and Professor Heinz Tuselmann for their mentorship, experience and wisdom. As well as Professor Gill Wright, for her support and kindness during her time as a director of doctoral studies at the Manchester Metropolitan University Business School.

I would like to thank my family, including my father Tayseer, my mother Abeer and my sister Dalya for the inspiration, the motivation and the emotional support they provided throughout this journey.

I would also like to thank my partner, Emily, for being there in times of stress and frustration, as well as in times of joy and exuberance. She has been patient, understanding and supportive on every level imaginable, without which I would not have been able to complete this thesis.

Last but not the least, I would like to thank my dachshund Vladimir for enduring the writing-up process with me, and for not eating my notes when I needed them the most.

*To Abeer and Tayseer*

***The road not taken***  
***A poem by Robert Frost (1874-1963)***

*Two roads diverged in a yellow wood,  
And sorry I could not travel both  
And be one traveller, long I stood  
And looked down one as far as I could  
To where it bent in the undergrowth;*

*Then took the other, as just as fair,  
And having perhaps the better claim,  
Because it was grassy and wanted wear;  
Though as for that the passing there  
Had worn them really about the same,*

*And both that morning equally lay  
In leaves no step had trodden black.  
Oh, I kept the first for another day!  
Yet knowing how way leads on to way,  
I doubted if I should ever come back.*

*I shall be telling this with a sigh  
Somewhere ages and ages hence:  
Two roads diverged in a wood, and I—  
I took the one less travelled by,  
And that has made all the difference.*



## Table of contents

<b>Abstract</b> .....	i
<b>Declaration</b> .....	ii
<b>Conferences publications</b> .....	ii
<b>Acknowledgments</b> .....	iii
<b>Table of contents</b> .....	vi
<b>List of abbreviations</b> .....	xi
<b>List of figures</b> .....	xii
<b>List of tables</b> .....	xiii
<b>Chapter 1: Introduction</b> .....	1
1.1. Background of the research.....	1
1.2. Terrorism, conflict and the role of the private sector .....	4
1.3. Statement of the research gap .....	12
1.4. Contribution to knowledge .....	14
1.5. Research aim, objectives and questions .....	15
1.5.1. Research Objectives .....	16
1.5.2. Research Questions .....	16
1.6. Structure of the thesis.....	17
<b>Chapter 2: Literature Review</b> .....	20
2.1. Structure of the literature review .....	20
2.2. Schools of thought .....	22
2.3. Corporate social responsibility (CSR).....	26
2.3.1. Introduction.....	26
2.3.2. Evolution of CSR concept and definitions .....	27
2.3.2.1. The beginning of CSR in the 1950s.....	28
2.3.2.2. The growth of CSR literature in the 1960s.....	29
2.3.2.3. A continued growth in the CSR literature in the 1970s.....	31
2.3.2.3.1. Social responsibility definition and practices; the early 1970s .....	31
2.3.2.3.2. The corporate social performance concept; the late 1970s .....	33
2.3.2.3.2.1. Total social responsibility.....	34
2.3.2.3.2.2. Social responsiveness .....	38
2.3.2.3.3. More themes and empirical research: the 1980s onwards.....	41
2.3.2.3.4. Summary of CSR concept; definitions and themes .....	44
2.3.3. Approaches and implications of CSR.....	45
2.4. Relevant theories and frameworks in CSR research .....	49
2.4.1. Sustainable development .....	50
2.4.1.1. Relevance of the sustainable development approach.....	53

2.4.2.	Institutional theory .....	59
2.4.2.1.	Relevance of the institutional approach.....	61
2.5.	Stakeholder theory.....	69
2.5.1.	Introduction.....	69
2.5.2.	Relevance of the stakeholder approach.....	72
2.5.3.	Summary of the stakeholder theory .....	76
2.6.	Synthesis and a critical overview of the literature .....	78
2.7.	Summary of the chapter .....	80
<b>Chapter 3: Response Strategies to Counter-Terrorism: Context and Conceptual Background .....</b>		<b>82</b>
3.1.	Introduction .....	82
3.2.	Defining terrorism .....	83
3.3.	The multinational corporation .....	88
3.3.1.	A definition.....	88
3.3.2.	Corporate social responsibility in multinational corporations .....	89
3.3.3.	Terrorism impact on multinational corporations .....	90
3.4.	Counter-terrorism efforts and strategies in Jordan.....	92
3.4.1.	Introduction.....	92
3.4.2.	Jordan and terrorism: An overview .....	93
3.4.2.1.	Arab nationalism and the Muslim Brotherhood (1946-60s) .....	94
3.4.2.2.	Internal conflict and radicalisation (1970s-80s) .....	97
3.4.2.3.	Salafism, Jihad and fundamentalism (1990s-present) .....	98
3.4.2.4.	Jordan's response to terrorism .....	99
3.5.	Foundations of the conceptual framework .....	101
3.5.1.	Response strategies.....	101
3.5.1.1.	Direct response strategies .....	103
3.5.1.2.	Indirect response strategies.....	104
3.5.1.3.	Unilateral response strategies .....	106
3.5.1.4.	Collaborative response strategies .....	106
3.5.2.	Primary stakeholders.....	108
3.5.2.1.	Consumers.....	108
3.5.2.2.	Employees .....	110
3.5.2.3.	Shareholders/Investors .....	112
3.5.3.	Secondary stakeholders.....	114
3.5.3.1.	Governments.....	114
3.5.3.2.	Media.....	117
3.5.3.3.	Community leaders .....	118
3.5.3.4.	Non-government organisations (NGOs) .....	119
3.5.4.	Firms' exposure to terrorism.....	122
3.5.4.1.	Level of concern about terrorism .....	122

3.5.4.2.	Firms affected by terrorism .....	123
3.5.4.3.	Firms operating in terrorism-prone locations .....	124
3.5.5.	Firm characteristics .....	126
3.5.5.1.	Firm size .....	126
3.5.5.2.	Firm age .....	127
3.6.	Hypotheses summary .....	129
3.7.	Summary of the chapter .....	130
	<b>Chapter 4: Methodology .....</b>	<b>133</b>
4.1.	Introduction .....	133
4.2.	Research paradigms.....	133
4.3.	Research approach .....	138
4.3.1.	Data collection method .....	142
4.4.	Instrument development .....	147
4.4.1.	Questionnaire design .....	148
4.4.2.	Translation process .....	153
4.4.3.	Validity and reliability .....	155
4.5.	Sampling .....	157
4.6.	Data collection process.....	160
4.6.1.	Pilot study .....	161
4.6.2.	Main study .....	164
4.7.	Data analysis .....	167
4.7.1.	Descriptive analysis.....	169
4.7.2.	Correlation .....	171
4.7.3.	Regression analysis .....	172
4.7.3.1.	Assumptions of multiple regression .....	173
4.8.	Summary of the chapter .....	176
	<b>Chapter 5: Results and Analysis .....</b>	<b>178</b>
5.1.	Introduction .....	178
5.2.	Data transformation .....	178
5.2.1.	Missing values .....	178
5.2.2.	Pre-tests .....	179
5.2.2.1.	Sample size.....	179
5.2.2.2.	Normality .....	180
5.2.2.3.	Outliers .....	181
5.2.2.4.	Sampling bias.....	182
5.2.2.5.	Common method bias .....	183
5.3.	Descriptive statistics .....	185
5.3.1.	Firm age .....	185
5.3.2.	Headquarter location .....	186
5.3.3.	Firm size .....	187

5.3.4.	Industry .....	188
5.3.5.	Position of respondent.....	190
5.3.6.	Type of foreign activity .....	191
5.3.7.	Foreign activity in terrorism-prone location .....	192
5.3.8.	Exposure to terrorism .....	193
5.4.	Correlation analysis and multicollinearity .....	195
5.5.	Regression models and results .....	197
5.5.1.	Introduction.....	197
5.5.2.	Independent variables in the model .....	198
5.5.3.	Control variables in the model.....	199
5.5.4.	Dummy variables in the model .....	200
5.5.5.	Multiple regression results.....	200
5.5.5.1.	Direct response strategies .....	202
5.5.5.2.	Indirect response strategies.....	203
5.5.5.3.	Unilateral response strategies .....	204
5.5.5.4.	Collaborative response strategies .....	205
5.5.5.5.	Summary of the multiple regression analysis .....	206
5.6.	Hypotheses testing .....	207
5.7.	Summary of the chapter .....	214
	<b>Chapter 6: Discussion of the Results .....</b>	<b>216</b>
6.1.	Introduction .....	216
6.2.	Response strategies to counter terrorism and enhance national security .....	217
6.2.1.	Stakeholders' pressures.....	217
6.2.1.1.	Primary stakeholders .....	218
6.2.1.2.	Secondary stakeholders .....	220
6.2.2.	Firm's exposure to terrorism.....	222
6.2.2.1.	Level of concern about terrorism .....	223
6.2.2.2.	Firms affected by terrorism .....	225
6.2.2.3.	Firms operating in terrorism-prone locations .....	226
6.2.3.	Firm characteristics .....	227
6.2.3.1.	Firm size .....	228
6.2.3.2.	Firm age .....	230
6.3.	Overall assessment of response strategies .....	232
6.4.	Reflection on the discussion .....	234
6.5.	Summary of the chapter .....	239
	<b>Chapter 7: Conclusion .....</b>	<b>241</b>
7.1.	Introduction .....	241
7.2.	Research contributions .....	242
7.3.	Research implications.....	244
7.3.1.	Implications for public policy.....	244

7.3.2.	Implications for management .....	246
7.4.	Limitations of the research.....	247
7.5.	Suggestions for future research .....	250
<b>References</b> .....		252
<b>Appendices</b> .....		299
Appendix (1): Survey questionnaire in English.....		299
Appendix (2): Survey questionnaire in Arabic .....		305
Appendix (3): Conceptualisation and operationalisation of key variables .....		311
Appendix (4): Data transformation and Outliers .....		313
Appendix (5): Independent sample test between early and late respondents .....		314
Appendix (6): Common method bias test .....		315

## List of abbreviations

CEC	Commission of European communities
CEP	Counter extremism project
CSR	Corporate social responsibility
DCAF	Geneva centre for the democratic control of armed forces
EM	Expectation maximisation
FSSD	Framework for strategic sustainable development
GDP	Gross domestic product
GTD	Global terrorism database
GTI	Global terrorism index
HKJ	Hashemite Kingdom of Jordan
HRW	Human rights watch
IEP	Institute for economics and peace
MLE	Maximum likelihood estimation
MNCs	Multinational corporations
MNEs	Multinational enterprises
NATO	North Atlantic treaty organisation
NGOs	Non-government organisations
OECD	Organisation for economic co-operation and development
PLO	Palestinian Liberation Organisation
SMEs	Small and medium enterprises
SPSS	Statistical package for social sciences
SRI	Stanford research institute
UK	United Kingdom
UNGC	United nations global compact
UNICSFT	United nations international convention for the suppression of the financing of terrorism
US/ USA	United States of America
VIF	Variance inflation factor

## List of figures

Figure	Page
Figure 2.1: Social responsibility categories.....	38
Figure 2.2: Social responsiveness continuum.....	39
Figure 2.3: Uses of the stakeholder approach and concept.....	70
Figure 4.1: The deductive approach .....	140
Figure 4.2: The inductive approach.....	141

## List of tables

Table	Page
Table 2.1: Summary of empirical studies on sustainable development.....	56
Table 2.2: Summary of empirical studies on institutional theory.....	67
Table 2.3: Summary of empirical studies on stakeholder theory.....	75
Table 3.1: Hypotheses summary table.....	129
Table 4.1: Pilot study reliability of scales.....	164
Table 4.2: Main study responses and response rate.....	166
Table 5.1: Firm age.....	186
Table 5.2: Headquarters location.....	187
Table 5.3: Firm size.....	188
Table 5.4: Industry.....	189
Table 5.5: Position of respondent.....	191
Table 5.6: Type of foreign activity.....	192
Table 5.7: Foreign activity in terrorism-prone locations.....	193
Table 5.8: Exposure to terrorism.....	194
Table 5.9: Correlation matrix.....	196
Table 5.10: Variance inflation factor (VIF).....	197
Table 5.11: Reliability test for the independent variables.....	199
Table 5.12: Model (1) Direct response strategies.....	203
Table 5.13: Model (2) Indirect response strategies.....	204
Table 5.14: Model (3) Unilateral response strategies.....	205
Table 5.15: Model (4) Collaborative response strategies.....	206
Table 5.16: Multiple regression analysis summary.....	207
Table 5.17: Hypotheses testing summary.....	214



# **Chapter 1: Introduction**

## **1.1. Background of the research**

This thesis investigates the corporate social responsiveness of Jordanian multinational corporations (MNCs) to the growing global social dilemma of terrorism. The overarching aim of this thesis is to investigate the likelihood of firms to implement social response strategies in order to reduce the impact of or prevent terrorism. By examining the relationship between the stakeholders' pressures on private firms, this investigation utilises the stakeholder theory as a theoretical framework. Moreover, this study also examines the relationship between factors such as firms' exposure to terrorism, own specific characteristics and likelihood to implement response strategies to counter terrorism and enhance security. In this regard, this thesis builds on and extends the work of Petersen (2008a, 2008b), Oetzel et al. (2007), Oetzel and Getz (2012), Bures (2013, 2015), Park et al. (2014) and Park and Ghauri (2015). The call for pursuing this research study is encouraged by the evident lack of research on the role of the private sector in countering terrorism and the lack of empirical application of existing corporate social responsibility (CSR), corporate social responsiveness, stakeholders' pressures and response strategies frameworks in developing countries, and Jordan in particular. Located in the heart of the Middle East, a hot spot for local and global terrorist organisations, and an area known for conflicts, civil wars and political unrest, Jordan gives a valid and strong example of government and non-government counter terrorism programmes (CEP, 2016).

Arguably, terrorism is posited as one of the most growing global problems of modern history, with over 140,000 incidents in the past five decades worldwide (GTD, 2016; IEP, 2016). This problem has cost NATO governments in North America, Europe and the Middle East over 2% of their annual GDP to initiate and implement counter terrorism strategies (Belasco, 2009; The World Bank, 2016; Zucchi, 2016; NATO, 2017).

Following one of the most devastating terrorist attacks globally on the World Trade Center and the Pentagon in 2001, research was triggered in various fields to instigate an understanding of terrorism in terms of the motivations behind such acts and the impact terrorism has on politics, the economy and global trade (Czinkota et al., 2010). Correspondingly, international business and global trade are some of the areas that are highly affected by terrorism. According to Jain and Grosse (2009), there is a need for studying the impact of terrorism on the attributes of international business, especially that terrorism is considered one of the greatest threats nowadays. Further, Spich and Grosse (2005) described the beginning of a new age in understanding the business environment and decision making nature in adverse situations. They expressed the need to establish new levels of competitiveness based on the new challenges to businesses. To elaborate, Spich and Grosse (2005) stated that there is “a new set of uncertainties now entered into the business decision picture, and the parameters of existing business models were now being challenged”. They continued to clarify the set of changes by stating that with these new challenges and uncertainties come “additional issues of new government regulations, technology investment requirements and security staffing, a major strategic issue surfaced, which has also led to business and government realisation

that there were now real possibilities and new probabilities for both violent and non-violent disruptions of business activity”, (Spich and Grosse, 2005, p. 458).

Furthermore, building on the work of Dunning (1998) on the multinational enterprise and the changing environment, Dunning’s (1998) argument was triggered by the challenges facing global businesses and the changing international trade environment, geography and the political map of the world. This argument generated a greater interest in investigating a plethora of contemporary issues in today’s business world. These included investigating the negative and positive impacts of terrorism on the conduct of business and trade globally. In this regard, in one of the first attempts to address the impact of terrorism on the business environment, Suder (2004) inferred that the role of the private sector and multinationals in countering terrorism and enhancing overall national security remains largely under-researched. Moreover, Suder (2004) concluded that much of the research conducted up to this point largely investigated the impact of adverse situations and political instability on the operations of global businesses rather than investigating the ability of those businesses to address this adversity and reduce its impact.

Nevertheless, it is also essential to promulgate that regardless of having the various efforts to study terrorism, its causes, roots, effects and solutions, Sageman (2014) identified the issue of stagnation in terrorism research. According to Sageman (2014), the enormous funding and collaborations to find solutions to terrorism are yet to be deployed; for until the present day there seems to be a lack in the way of approaches, data and methodologies that could result in a breakthrough. The reason for this relates to the sensitivity and political concern behind the topic in

question. However, one area of research which remains largely under researched, is the role of the private sector in offering collaborating efforts to counter, prevent or reduce the impact of terrorism.

## **1.2. Terrorism, conflict and the role of the private sector**

To establish a good understanding of the research problem presented in this thesis, there needs to be a clarification of the two concepts of terrorism and conflict. This need stems from having reviewed the literature in related fields and subsequently uncovering numerous interrelated uses of both concepts.

To begin with, it is essential to set the guidelines of defining terrorism and clarify what is meant by this notion. In 1999, the United Nations' International Convention for the Suppression of the Financing of Terrorism defined terrorism as the:

*“act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such acts, by their very nature or context, is to intimidate a population, or compel a government or an international organization to do or to abstain from doing any act “, (UNICSFT, 1999).*

This definition entails a comprehensive and detailed explanation of what a terrorist act might be. In addition, while the goal of terrorism is to induce and create an effect on the behaviour of a specific target group of people, it normally involves ideological aspects such as religion or politics, or the combination of both. Moreover, economic motivations might as well be the reason ascribable for the onset of such acts (Czinkota et al., 2010).

Taking this definition into perspective and relating the impact of terrorism on businesses globally, one of the first attempts that focused on terrorism in this context was Harvey's (1993) survey study. This study aimed to explore the preparedness of large US multinationals for terrorist attacks. In this respect, the results indicated that more than 50% of responding firms had no formal training programmes anticipating such incidents. One critical finding of the study concluded that the federal government was not highly involved in assisting multinationals against terrorism. On the one hand, these results were representative at that point in time. On the other hand, government support and assistance for the private sector increased dramatically after the 9/11 attacks (Steen et al., 2006). The incident of 9/11 massively triggered the attention of governments in general and the US federal government in particular. Governments initiated new programs of surveillance (Steen et al., 2006), advanced security measures and encouraged collaborative action with private firms to overcome this phenomenon (Jain and Grosse, 2009).

Further, in their proposed research agendas Czinkota et al. (2005, 2010) identified the future research propositions such as the need to investigate the effect of terrorism on service industries, the determinants of managing terrorism within the business and the ideal way of optimising management practices in times of adversity. Propositions also included the need to investigate how countering terrorism can be incorporated in the decision-making process of firms.

Further studies investigated the connection of political risk and international business. Although the research of Li and Vashchilko (2010) and Click and Weiner (2010) had distinct objectives, the findings concluded the interrelation of political risk

with market risk. International business depends highly on political stability as these two papers indicated. Conversely, Branzie and Abdelnour (2010) inferred that terrorism or political instability in general, is a motivator for entrepreneurial small business. Due to flexibility and survival measurements, small entrepreneurial firms showed resilience in adversity more than their larger counterparts.

Likewise, in an attempt to understand the roots of terrorism and how nations, states and all social actors can work collaboratively to reduce and prevent such calamity, Oetzel et al. (2007) emphasised the role of various areas of research in addressing violent conflict, such as the conflict resolution literature, the corporate social responsibility literature and the political risk assessment literature. In this regard, Oetzel et al. (2007) described violent conflict as one of the root causes of terrorism; which can be linked to the example of what has been happening in recent years in some Middle Eastern territories post 2003 and 2011 in countries like Iraq and Syria respectively (GTD, 2016). To elaborate, the data observations recorded in the Global Terrorism Database (GTD, 2016) showed a drastic change in the number of terrorist incidents taking place in Iraq and Syria after these countries suffered violent and militarised conflict. In this regard, the database showed that 99% of all terrorist incidents that Iraq had experienced since 1970 took place after 2003, when the conflict with the US started for the purposes of overthrowing the ruling regime. Similarly, 85% of all terrorist incidents that occurred on Syrian land since 1970 took place after 2011, evidently after the national uprising against the ruling regime in Syria as part of the Arab Spring.

Correspondingly, while there is an evident lack of literature on the relationship between violent conflict and terrorism, the definition of violent conflict provided by Oetzel et al. (2007) and Getz and Oetzel, (2009) clarifies these differences and highlights the similarities. According to Oetzel et al. (2007), violent conflict is defined as the “organized physical force, resulting from grievances between two or more parties and leading to injury or death to persons or damage or destruction to property” (Oetzel et al., 2007, p. 331)”. In this regard, Getz and Oetzel (2009) elaborated by extending these acts of violent physical force into including wars, revolutions, rebellions, insurgencies and sustained campaigns of violence and terrorism. In comparison with the terrorism definition provided by the United Nations’ International Convention for the Suppression of the Financing of Terrorism in 1999, there are slight differences relating to the ideological assumptions and motivations behind terrorism. However, existing research within this context has been traditionally conducted using one concept rather than the other, whilst conflict and terrorism are interrelated.

In light of this, in order to establish the link between terrorism and the role of multinational corporations in reducing or eliminating its impact, and therefore enhancing the overall security of the firm and its surroundings, there is a need to clarify the proposed assumptions and argument. This thesis argues that corporate social responsibility (CSR) as a concept and the interactions between the firms and their stakeholders, firms’ exposure to terrorism and firm-specific characteristics lead to influencing the likelihood of multinational corporations to implement response strategies to counter terrorism and enhance security. These suggested strategies

can be direct, indirect, unilateral and/or collaborative (Oetzel and Getz, 2012). (See Chapter 3).

Elaborating on this concept, this thesis explores various working definitions of corporate social responsibility. According to Dahlsrud (2008), there are around 37 established definitions of CSR that were used by global organisations, academic scholars and policy makers. The most frequently used definition of CSR is provided by the Commission of the European Communities (CEC). This definition has been used in over 286 publications and states that CSR is

*“a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. They also added, “Corporate social responsibility should nevertheless not be seen as a substitute to regulation or legislation concerning social rights or environmental standards, including the development of new appropriate legislation. In countries where such regulations do not exist, efforts should focus on putting the proper regulatory or legislative framework in place in order to define a level playing field on the basis of which socially responsible practices can be developed”, (CEC, 2001, p.6).*

The main issues that were elaborated upon by this definition focus on three dimensions. Firstly, the relationship and the interaction between firms and their stakeholders, which has a massive impact in terms of the contribution of this study. Secondly, the voluntary nature of activities, which confirms the seminal work of Carroll (1979) in which he identified the Total Social Responsibility framework and its components. Carroll (1979) defined Corporate Social Responsibility and constructed his definition based on four main categories of the responsibilities. The main social responsibility categories were economic, legal, ethical and discretionary responsibilities. As by definition, discretionary responsibilities are those that are of a voluntary nature, whereby participation is purely volitional. As a result, this thesis



argues that response strategies to counter terrorism and enhance security can be viewed as part of the discretionary responsibilities of the firm. These responsibilities, as will be discussed in Chapter 3, are reflected through firms' own obligations towards their customers, employees and shareholders, as well as towards the government, the media, non-government organisations and local communities.

Lastly, the third and final dimension of CSR as defined by the Commission of the European Communities purely demands firms to develop and perform regulations and legislative frameworks in countries or societies when and where there is a need for such intervention, which places an immense responsibility on those firms. However, given the context of countering terrorism and enhancing security, this intervention and reaction of implementing response strategies could be seen as an exceptionally valuable interaction between firms and their stakeholders.

In this regard, the work of Oetzel, Getz and Ladek (2007) laid the foundations of an overriding association between the discretionary aspect of total social responsibilities and the intervention strategies of firms in violent conflict. Although their conceptual framework pitched towards identifying the nature of firms' responses to conflict and their intervention strategies (direct, indirect, unilateral, collaborative), they have built their framework on the antecedent assumption enunciating that intervention in conflict is a discretionary responsibility and is subjective to the firms' cognizance and circumstances. Notwithstanding a clear emphasis that the four types of response strategies hypothetically yield significant results in the reduction of the impact of terrorism and conflict, the majority of the literature associated with such research enquiry emphasised the significance of collaborative response strategies. In this respect, Koerber (2009) elucidated that;

“while corporate social responsibility standards may play an important role in fostering ethical business behaviour and sustainable peace, they cannot do it alone” (Koerber, 2009, p. 472).

Notwithstanding the large number of research studies that have discussed or used the concept and the literature of corporate social responsibility, which will be analysed and discussed in detail in the literature review chapter (Chapter 2), the majority of studies were divided between using a number of prominent theoretical frameworks. The three most utilised theoretical frameworks were the stakeholder approach, the sustainable development approach and the institutional theory (Peloza and Shang, 2011; Dahlsrud, 2008). According to Rodriguez et al. (2006) and Rasche et al. (2008), there is a need to research the commitment of firms in terms of corporate social responsibility in countries that are prone to terrorism and conflict. Following this call, Jamali and Mirshak (2010) revisited some linkages between business and conflict, creating “a matrix that reconciles relevant dimensions and which can serve as a typology of intervention strategies of business firms in conflict zones” (Jamali and Mirshak, 2010, p. 443). This matrix comprised of the total social responsibility model, by stressing the social responsiveness aspect of the model (Carroll, 1979). In addition, the matrix amalgamated Nelson’s (2000) pyramid for managing conflict, which consisted of the very minimum strategy for compliance with national regulations, climbing to the top of the pyramid by proactively creating value and building peace. The matrix was empirically tested by analysing the operations of a number of multinational corporations operating in Lebanon during and after the 2006 war. In this respect, their results indicated that most firms comply with the laws and regulations, minimise risks and do no harm,

whilst no evidence was found regarding either value creation or peace building. Correspondingly, Kolk and Lenfant (2010) explored how and when multinational corporations report on corporate social responsibility and conflict in Central Africa. The results associated with this investigation stressed that “some companies show awareness and outline the limitations of their power and the dilemmas inherent to their presence in these countries” (Kolk and Lenfant, 2010, p. 241). This result indicated that there is limited and minimal involvement in conflict intervention strategies by multinational corporations operating in Central African countries.

Other dimensions of the social responsiveness were explored in the literature throughout the past few decades. Jones (1999) argued that institutional elements motivate and determine levels of social responsibility by either normative, memetic or coercive behaviour (DiMaggio and Powell, 1983). This argument was confirmed by the hypothesis proposed in Husted and Allen’s (2006) work. According to Husted and Allen (2006), their examination of the motives of multinational corporations’ use or deployment of corporate social responsibility practices and activities precipitated different results when they used both the institutions and the stakeholder theoretical frameworks. They have analysed the responses of a sample of Mexican multinationals corporations and their results indicated that institutional pressures are guiding the decision-making process with respect to CSR. However, stakeholders’ pressures did not seem to have any impact on the initiation of CSR-related practices and activities. On the contrary, the work of Park et al. (2014) and Park and Ghauri (2015) examined how specific stakeholder groups affected and influenced CSR practices and activities of a sample of South Korean multinational corporations.

### **1.3. Statement of the research gap**

The research gap is epitomised by the unexamined premise of the role of private firms, represented by multinational corporations, in countering terrorism and enhancing security. It is envisaged that applying the concept of corporate social responsibility (CSR) and using the stakeholder approach as a theoretical framework will yield clearer understanding of the role of these firms. Additionally, factors such as multinationals' own exposure to terrorism and their firm-specific characteristics are sought to add value and depth to this research enquiry. While the literature analysed in Chapter 2 inferred that corporate social responsibility is a major constituent of contemporary business ethics (Carroll, 1979; Carroll, 1999; Schwartz and Carroll, 2003), this constitutes a major shift in looking at CSR in terms of merging the political role of the firm and that of the characteristics of business ethics, (Scherer and Palazzo, 2007; Scherer and Palazzo, 2011).

Moreover, previous studies examined the effect of terrorism on the flow of business, foreign direct investment, expatriate recruitment and international human resource management, interstate relations and economic interdependence, economic development, international trade and the global supply chain, (Bader, 2014; Bader and Berg, 2013; Bader and Berg, 2014; Bader and Schuster, 2014; Driffield et al., 2013; Enders and Sandler, 1996; Gasiorowski, 1986; Li et al., 2005; Mansfield and Pevehouse, 2000; Mansfield and Pollins, 2001; Nigh, 1986;). Furthermore, other studies directly examined the phenomenon of terrorism. In this regard, researchers explored issues such as the motivation and main reasons behind the existence of terrorism, (El-Said and Harrigan, 2013). And consequently explored and emphasised the role of the state and the public sector in countering the

phenomenon, limiting the spread and de-radicalising those responsible for the incidents and attacks (El Said, 2015).

Additionally, extensive research highlighted the role of firms or multinational corporations in conflict resolution and the response to violent conflict, and have forsaken extending the inquiry into terrorism and terrorism-prone states and territories (Getz and Oetzel, 2009; Jamali and Mirshak, 2010; Kolk and Lenfant, 2010; Kolk and Lenfant, 2012; Kolk and Lenfant, 2013; Oetzel et al., 2007; Oetzel et al., 2009; Oetzel and Getz, 2012; Oh and Oetzel, 2011). However, there is still a lack of empirical research on how both types of stakeholders, namely primary and secondary stakeholders, along with firms' exposure to terrorism and firm-specific characteristics might influence firms' likelihood to implement response strategies to counter terrorism and enhance security.

Moreover, in a clear attempt to investigate the role of private companies in the fight against terrorism, Petersen (2008a) examined the premise of whether countering terrorism is a part of the corporate social responsibility strategy of the firm. While interviewing a number of private Danish food companies, results indicated that they did not view counter terrorism as their responsibility and emphasised that this is the government's role and responsibility. Conducting such a study on a small number of local firms from one industry in Denmark, a country that is not considered a high risk country, never having suffered the devastating impact of terrorism, strengthens the argument proposed in this thesis. While investigating a rather larger number of multinational firms from several industries and different in size, age and the level of exposure to terrorism, this thesis will examine the extent to which stakeholders'

pressures influence firms' likelihood to implement the different types of response strategies. Additionally, the unit of analysis in this thesis will be Jordanian firms that operate in Jordan and the surrounding region. Known as a politically sensitive area, conducting this study in the Middle Eastern region extends the existing literature on counter terrorism and responds to the lack of research on the role of the private sector in this context. In light of this, the purpose of this research is to examine the role of Jordanian multinationals operating in Jordan and the surrounding countries in countering terrorism and enhancing the overall national security.

#### **1.4. Contribution to knowledge**

This research project aims at addressing the previously explored research gap of the role of the private sector in countering terrorism through applying corporate social responsibility approaches and stakeholder pressures in this context. It is expected that the implications of conducting this study will have theoretical, managerial and public policy contributions.

Theoretically, the application of CSR and stakeholder approaches to investigating the role of the private sector in countering terrorism is the first of its kind. Further, extending the existing frameworks of CSR, response strategies to terrorism and stakeholder pressures on MNCs is deemed to advance the mechanism through which the research in this area has been undertaken. It is also deemed extremely topical and beneficial given the context of the Hashemite Kingdom of Jordan, which is located in a politically heated area geopolitically, considered an emerging market

and having maintained relative political stability unlike other countries in the Middle East. This will be explored in the research context chapter (Chapter 3).

On the managerial level, this study contributes to increasing the awareness of respective and responding multinational corporations on the variety of response strategies that can reduce or eliminate the impact of terrorism. As will be discussed in Chapters 3, 4, 6 and 7, these strategies, whether direct, indirect, unilateral or collaborative, represent day-to-day practices that tackle social and ethical corporate issues that reflect on the societies in which those multinationals operate. These strategies include, but are not limited to, practices and activities that ensure social equality, the reinforcement of human rights in the workplace, as well as working closely with stakeholders such as governments and NGOs. Correspondingly, policy makers will be made aware of the results of this study and will be encouraged to reinforce the importance of such practices and strategies. Further details on the implications of this research study will be available in the concluding chapter, Chapter 7.

### **1.5. Research aim, objectives and questions**

Having explored the background of this research, as well as identified the research gap, and the potential contributions the completion of this study might yield, this section states the aim, objectives, and the research questions in this thesis. In this regard, the aim of this study is to examine the role of the private sector, represented by Jordanian multinational corporations (MNCs), in countering terrorism and

enhancing security. However, in order to achieve this aim, this study identifies a number of objectives, and questions presented in the following sections.

#### **1.5.1. Research Objectives**

The research objectives in this thesis are as follows:

- 1- To examine whether the likelihood to implement response strategies to counter terrorism is influenced by the pressures of primary stakeholders.
- 2- To examine whether the likelihood to implement response strategies to counter terrorism is influenced by the pressures of secondary stakeholders.
- 3- To examine whether firms' exposure to terrorism influenced their likelihood to implement response strategies to counter terrorism.
- 4- To examine whether firms' own characteristics, such as the size and age of the firm, influence the likelihood to implement response strategies to counter terrorism.

#### **1.5.2. Research Questions**

In light of the previously mentioned research aim and objectives, the purpose of identifying the main research questions is to help guide this study towards achieving those aims and objectives. Therefore, the research questions are as follows:

- 1) To what extent do stakeholders' pressures affect firms' likelihood to implement response strategies to counter terrorism and enhance security?



- 2) To what extent does firms' exposure to terrorism affect their likelihood to implement response strategies to counter terrorism and enhance security?
- 3) To what extent do firms' characteristics, such as size and age, affect firms' likelihood to implement response strategies to counter terrorism and enhance security?

## **1.6. Structure of the thesis**

This thesis will comprise of seven chapters, through which an investigation of the role of Jordanian multinationals in countering terrorism will be carried out. In Chapter one having introduced the research problem, a brief background of the research conducted in related fields will be given identifying the research gap; the second chapter will consist of a detailed review of the literature. The literature review chapter offers an overview of the different strands and schools of thought in regards to corporate social responsibility and business ethics. The chapter discusses the development and the evolution of corporate social responsibility as a concept and a corporate strategy, while historically tracking this development and linking it to the research problem in hand. Furthermore, Chapter 2 identifies the most dominant and relevant theoretical frameworks used in studying corporate social responsibility and corporate social responsiveness, while analysing the empirical research relevant to the research problem. The chapter concludes with the recommendations of using the stakeholder approach for the purposes of investigating the likelihood of implementing corporate response strategies to counter terrorism and enhance security by Jordanian multinational corporations.

In Chapter 3, the research context will be discussed. This will entail a brief introduction to the definitions of terrorism, and the definition of the unit of analysis in this thesis, the multinational corporation. Furthermore, while emphasising the development of corporate social responsibility as part of the multinational firm strategy, this chapter will explore the impact of terrorism on these firms. Correspondingly, as the study will be conducted using a sample of Jordanian multinational corporations, this chapter will explore and identify the counter-terrorism strategies and efforts implemented by the government of Jordan. This will also include a brief on how the Jordanian government encouraged the private sector to contribute to reducing or eliminating the impact of terrorism.

Furthermore, Chapter 3 will present the conceptual framework that was developed to set the guidelines by which the theoretical framework, namely the stakeholder approach and the response strategies to counter terrorism are interlinked. In this chapter, the types of response strategies (direct, indirect, unilateral, collaborative), the types of stakeholders (primary, secondary), firms' exposure to terrorism, and firm-specific characteristics, will be discussed. The chapter will also provide a number of proposed hypotheses that entail the relationships between these aforementioned factors and strategies.

Consequently, Chapter 4 will provide a discussion regarding the appropriate methods and methodologies to test the proposed hypotheses. This chapter will provide a detailed discussion and a comparison between the common research methods to arrive at a suitable choice for this research problem. A description of the survey conducted as a data collection method and the questionnaire distributed as

the data collection instrument will be provided, along with the sampling approach and the proposed method of analysis. In the following chapter, a detailed analysis of responses collected from Jordanian multinationals will be presented. Chapter 5 will provide the results of the tests applied on the proposed hypotheses, with a demonstration of univariate, bivariate and multivariate analyses.

In Chapter 6, a detailed discussion of the provided results will be presented. This chapter will discuss the research aim, objectives and questions in relation to the analysis results. It will be followed by Chapter 7, through which the thesis will be concluded by stating the theoretical, managerial and public policy implications. Research limitations and recommendations for future research will also be discussed.

## **Chapter 2: Literature Review**

### **2.1. Structure of the literature review**

In order to achieve the research objectives highlighted in Chapter 1, it is essential to conduct a thorough and detailed literature review. As this thesis seeks to investigate the likelihood of implementing strategic response strategies to counter terrorism by Jordanian multinational corporations using the stakeholder approach as a theoretical framework, critically reviewing relevant theories and literature will support and position this study and its context in the existing and ever-evolving corporate social responsibility (CSR) and corporate social responsiveness research. It will also be used to efficiently evaluate, compare, contrast and determine the effects of the primary and the secondary types of stakeholders on the application of corporate social responsibility strategies that are highly associated with strategic responses to counter terrorism and enhance security.

This chapter consists of four main parts. These parts are structured as follows; first, an introduction to the schools of thought in business ethics and CSR. The purpose of this section is to introduce, highlight, and discuss the predominant standpoints in CSR research while linking it to the context of this study. The second will offer a historical overview on the development and evolution of CSR and the interlinked concepts of corporate social performance, total social responsibilities and corporate social responsiveness. The purpose of this section is to provide a clearer view of how certain theories and frameworks became prominent in CSR research. Furthermore, the third section consists of a detailed discussion and a critique of the relevant and most common theoretical frameworks that are used in CSR research. The discussion will include the sustainable development theory, the institutional

theory and the stakeholder theory. The critical approach will highlight the merits and flaws of each of the theories generally and in relevance to the context of this study by analysing the relevant empirical research conducted. In the fourth section, the literature of the stakeholder theory and its main two types, the primary stakeholders and the secondary stakeholders in relation to the research problem will be discussed.

There are two aims associated with this literature review. First, is to review the research streams in order to reveal current understanding of corporate social responsibility issues relevant to this study. Second, is to extend the existing frameworks of and provide the links between corporate social responsiveness, the stakeholder approach and the response strategies to counter terrorism. This will assist in achieving the research objectives and questions highlighted in Chapter 1.

The literature review highlights a paucity of studies, which examines stakeholders' effect on the likelihood of initiating response strategies to help counter terrorism and enhance the overall security. It also indicates a need for further development of the links between business ethics, corporate social responsibility, corporate social performance, social responsiveness and stakeholders' pressures. This will be communicated in detail in Section 1.5 of this chapter and will also be conceptualised in Chapter 3 throughout the discussion of the utilised conceptual framework.

## **2.2. Schools of thought**

While the main aim of this thesis is to examine the role of Jordanian multinationals in countering terrorism through the implementation of a variety of response strategies, the schools of thought relevant to this research problem comprise of business ethics, corporate social responsibility and corporate social responsiveness (Petersen, 2008a).

To begin with, business ethics as a concept was highly controversial regarding what constitutes ethics and how these should be embedded within the business practice (Donaldson and Gini, 1996). According to Lewis (1985), business ethics are defined as “moral rules, standards, codes, or principles which provide guidelines for right and truthful behaviour in specific situations” (Lewis, 1985; p. 382). These morals, codes and standards when linked to business practice are highly interlinked with the strategies of corporate social responsibilities that most corporations implement in today’s business world. Scholars have been identifying linkages between concepts of business ethics and corporate social responsibility strategies. According to Abratt et al. (1992), the ever and rapidly changing political, social and economic environment stimulates conducting studies that analyse and discuss the ethical practices and business ethics from a corporate perspective. Furthermore, having investigated the response of a number of executives in two different cultural contexts, Abratt et al. (1992) found that regardless of the cultural dissimilarities, corporations and their executives have similar responses to ethical dilemmas and scenarios, especially when compared to their CSR strategies in place. Additionally, according to Dean (1997), the notion and concepts of business ethics stemmed from the growing public pressure to perform ethically as a mandate of social responsibility

implemented by corporations. Moreover, when Novak (1996) provided a comprehensive definition of business ethics and stated that it “means a great deal more than obeying the civil law and not violating the moral law. It means imagining and creating a new sort of world based on the principles of individual creativity, community, realism, and the other virtues of enterprise. It means respecting the right of the poor to their own personal economic initiative and their own creativity” (Novak, 1996, p.133).

Respectively, Sauser Jr. (2005) attempted to establish stronger links between business ethics and the attributes of CSR and the strategies associated with those attributes. Sauser Jr. (2005) highlighted and praised Carroll’s (1979) take on corporate responsibilities which will be discussed in detail in Section 2.3. These comprise of the strategic mix of four independent responsibilities by the firm. Schermerhorn (2005) explained those four responsibilities in terms of the role of the organisation in establishing and implementing those strategies and policies. He stated that:

*“an organisation meets its economic responsibility, when it earns a profit through the provision of goods and services desired by customers. Legal responsibility is fulfilled when an organisation operates within the law and according to the requirements of various external regulations. An organisation meets its ethical responsibility when its actions voluntarily conform not only to legal expectations but also to the broader values and moral expectations of society. The highest level of social performance comes through the satisfaction of an organisation's discretionary responsibility. Here, the organisation voluntarily moves beyond basic economic, legal, and ethical responsibilities to provide leadership in advancing the well-being of individuals, communities, and society as a whole” (Schermerhorn, 2005; pp.74-75).*

Furthermore, Robertson (2008) systematically analysed published articles in the Strategic Management Journals for a period of 10 years prior to 2005 to establish

links between business ethics and the conduct of business. The findings of the analysis contributed to establishing common and dominant themes and categories that are prevalent in business ethics research. Corporate social responsibility as a theme was included as one of those pervasive categories. According to Robertson (2008), CSR is one of the top five qualifying topics and themes in business ethics research, it is embedded within the realm of strategic management concerning business ethics. Furthermore, in their updated version of the research, Robertson et al. (2013) confirmed CSR as still being in the top five qualifying topics in business ethics research. They have noted a rise in the use of CSR concepts and attributes in the study of business ethics in the period between 2005 and 2010 compared to the original period prior to 2005. They indicated that this rise is ascribed to the findings of the published research that has been analysed, which stated that there is clear evidence regarding the positive reaction of stakeholders to corporations that exhibit a more vigorous commitment to CSR in their overall strategies (Ramchander et al., 2012).

However, the evolution of the CSR concept throughout the second half of the 20<sup>th</sup> century until the early beginnings of the 21<sup>st</sup> century marked a significant development of the term, and the various types of themes and dimensions with which CSR is associated. Authors attempted to define the concept and link it to practical business practices and activities. These attempts faced the criticism of lacking the ability to elaborate empirically on the proposed conceptual frameworks and theories. However, acknowledging these criticisms only led to expanding the CSR concept into themes and schools of thought that yield an easier understanding of the social responsibility of the firm when applied in research. These themes



include the stakeholder approach, the sustainable development approach and the institutional approach.

Moreover, this evolution allowed for further development in the approaches, theories and themes used in the empirical contributions within the field. According to Garriga and Mele (2004), the CSR field is associated with a continuous burgeoning of theories and approaches. Those approaches and theories are usually associated with a degree of complexity and lack clarity; additionally, the variety and proliferation in the number of theories works as an encouraging factor for criticism and controversy. Garriga and Mele (2004) presented a new classification in their work on the approaches of CSR. They have classified the approaches into 4 main groups. These groups consist of instrumental, political, integrative and ethical theories. The varied classification allows for further development in the CSR concept and leads to an extension towards the variety of research perspectives that can envelop, embed and develop CSR, its implications and applications. This sought flexibility of CSR as a concept and a school of thought serves the purpose of this thesis. As the link between counter terrorism strategies and corporate social responsibility was not adequately tested by Petersen (2008a), the context of this thesis, that of Jordanian multinationals, entails the contribution and the extension of this existing framework. Throughout this literature review, these schools of thought and approaches will be discussed, analysed and filtered to serve the research problem and objectives. By providing a brief history and discussion of the origins of CSR, a discussion and an explanation of CSR and its most eminent approaches will be presented. Additionally, a clarification of the choice of the theoretical framework and a justification for the research gap will be provided.

## **2.3. Corporate social responsibility (CSR)**

### **2.3.1. Introduction**

The concept of corporate social responsibility (CSR) has been historically controversial and extensively varied (Carroll, 1999). Elaborating on that, this literature review explored the various working definitions of CSR. According to Dahlsrud (2008), there are around 37 established definitions of CSR that were used by global organisations, academic scholars, and policy makers. The most frequently used definition of CSR is provided by the Commission of the European Communities. This definition has been used in over 286 publications, and states that CSR is:

*“a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. They also added, “Corporate social responsibility should nevertheless not be seen as a substitute to regulation or legislation concerning social rights or environmental standards, including the development of new appropriate legislation. In countries where such regulations do not exist, efforts should focus on putting the proper regulatory or legislative framework in place in order to define a level playing field on the basis of which socially responsible practices can be developed”, (CEC, 2001, p.6).*

The main issues that were elaborated in this definition focus on three dimensions. Firstly, the relationship and the interaction between firms and their stakeholders, which has a huge impact in terms of the contribution of this study. Secondly, the voluntary nature of activities, which confirms the seminal work of Carroll (1979) in which he identified the Total Social Responsibility framework and its components. Carroll (1979) defined corporate social responsibility and constructed his definition based on four main categories of the responsibilities. The main social responsibility

categories were; (a) economic responsibilities, (b) legal responsibilities, (c) ethical responsibilities and (d) discretionary responsibilities. As by definition, discretionary responsibilities are those that are of a voluntary nature, whereby participation is purely volitional. Based on this, this thesis argues that it is most suitable and essential to place response strategies to counter terrorism under the discretionary responsibilities of the firm.

Lastly, the third and final dimension of CSR as defined by the Commission of the European Communities demands firms to develop and perform regulations and legislative frameworks in countries or societies when and where there is a need for such intervention, which places an immense responsibility on those firms. However, given the context of counter-terrorism and enhancing security, this intervention and reaction of deploying response strategies could be seen as an exceptionally valuable interaction between firms and their stakeholders.

Nevertheless, the exploration of the various definitions of the CSR concept takes into consideration the evolution of this concept. The reason being is to clarify the controversy, explain the differences and the similarities and establish the link to the research problem that is presented in this thesis.

### **2.3.2. Evolution of CSR concept and definitions**

Published research on corporate social responsibility has been predominantly a product of the last 50 years of the 20<sup>th</sup> century. With expanding efforts to explain and define the concept worldwide, it was more evident in the research and work focused on developed countries. Furthermore, it is a conspicuous challenge to

decide how far back to go in the literature to be able to grasp all the definitions that led to the evolution of the concept as we now know it. In this regard, the most noteworthy publications on the CSR concept such as Carroll's (1999) and Carroll and Shabana's (2010) note that it dates back to the 1940s and 1950s when the concept of social responsibility started being linked to executives' and corporations' performance.

For the purposes of presenting an evolutionary review of the definitions and uses of the CSR concept, it is essential to state and elaborate on the historical evolution based on how scholars viewed the concept in every decade. This will lead to how it is viewed in today's world of research, aid the process of understanding the CSR concept, and link it to the research problem in this thesis.

#### **2.3.2.1. The beginning of CSR in the 1950s**

To begin with, social responsibility was the term more often used than corporate social responsibility in the early writings in the 1950s. This was inferred due to the unforeseen future notability of the modern-day corporation. One of the earliest and seminal works on social responsibility in the corporate world was that of Bowen in the early 1950s. In his book, Bowen (1953) argued that the actions and activities of corporations at the time and every decision made by the executives would have an influence on the lives of those within the corporations' both internal and external environments. Furthermore, Bowen (1953) was one of the first ever authors to question the responsibilities that businesses may have towards their societies on a local and an international level.

Moreover, Bowen (1953) defined social responsibility initially as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen, 1953, p. 6). He also illustrated that the social responsibility of corporations is highly connected to the social consciousness of managers and executives. This link elaborates the assumption that the consequence of any actions or activities conducted by corporations is their own responsibility towards the surrounding business environment and that includes issues which go beyond profit making. Following this definition of social responsibility and linking it to corporations, a few other authors corroborated the work of Bowen (1953). Authors such as Eells (1956), Heald (1957) and Selekman (1959) referred to Bowen as the “Father of CSR”, by using his definition in their publications and consistently agreeing with his early inferences on the social responsibility of corporations. Consistent with Bowen’s (1953) definition, Heald (1970) carried out a historical review of the social responsibility of business in the 20<sup>th</sup> century, from which he concluded that the practice existed before the theory; however, the theory did not fail to explain the practice, nor to provide insights for modern day corporations.

#### **2.3.2.2. The growth of CSR literature in the 1960s**

The beginning of the 1960s manifested a remarkable interest and growth in the definitions, explanations and implications of CSR on the corporate world. Scholars such as Davis (1960) argued that the concept of CSR was still in its infancy stage and held a great deal of obscurity. Davis (1960) defined CSR as “businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest” (Davis, 1960, p. 7). In comparison with Bowen’s

(1953) definition, it is clear that both definitions corroborate the same idea of the social responsibility of businesses towards societies, which goes beyond profit making and the economic value of the firm. This corroboration illustrates the valuable inferences of the social responsibility concept that was embedded in the 1950s literature and is expanded in the later, more modern view of the corporate world in the 1960s.

Additionally, Davis (1960) predicted in his early writings on the social responsibility of the firm that although the actions of corporations towards society are those that look beyond the economic value, it is those actions and activities that will be the reason why corporations can maximise their profits and increase their economic value. Additionally, the work of Frederick (1960) substantiated Davis' inference and prediction by arguing that the role of businessmen, executives and decision makers in corporations must go beyond and oversee the fulfilment of the colossal economic system.

Furthermore, Frederick (1960) emphasised that the role of the corporation must link the social welfare with that of the economic welfare to elevate a particular society at a given time and place. These definitions, insights and implications were also corroborated by other 1960s scholars such as McGuire (1963), Davis and Blomstrom (1966) and Walton (1967). All three scholars' definitions were consistent with those of Davis (1960) and Frederick (1960) and added that the objectives and goals of corporations on both social and economic levels are efficiently achieved once corporations acknowledge their obligations towards societies that go beyond the profit-making mentality of firms.

### **2.3.2.3. A continued growth in the CSR literature in the 1970s**

#### **2.3.2.3.1. Social responsibility definition and practices; the early 1970s**

The CSR literature showed a remarkable and significant growth in the 1960s, which also led to an increase in the general interest in the concept and its implications in the early 1970s. Authors such as Heald (1970) provided a clear historical review of the practices of social responsibility from the beginning of the 20<sup>th</sup> century until the early 1960s. However, Heald (1970) seemed to highlight the work of previous scholars such as Bowen (1953), Davis (1960) and Frederick (1960) in terms of defining the CSR concept. His work lacked the introduction to any new aspects of the definition and relied heavily on the description of practices that deem corporations socially responsible.

In light of the pre-existing definitions and understandings of the CSR concept prior to the 1970s, several authors and scholars such as Johnson (1971) and Heald (1970) agreed with the previous work in terms of how being socially responsible drives corporations beyond the economic value of the firm and highlights the contribution to the social welfare in any given society. However, a contemporary trend of understanding the concept and practices of CSR beyond definitions and the rigour behind those definitions came to light. In the early 1970s, scholars such as Steiner (1971), Manne and Wallich (1972), Eilbert and Parket (1973) and Eells and Walton (1974) were more inclined to contribute to the research on CSR from a circumstantial point of view, by extending the work of others rather than corroborating it. Steiner (1971) for example, deferred to the previous definitions of

the CSR concept by expounding the necessity and importance behind understanding and appreciating the fundamental role of businesses and corporations as economic institutions. He also conceptualised this inference by declaring the social responsibility of corporations to be an attitude to conducting business, rather than a set of practices or activities which might distract corporations from their most important responsibility; the economic responsibility.

Furthermore, Manne and Wallich (1972) agreed to an extent with the work of Steiner (1971). They have introduced the concept of voluntary actions to the overall social responsibility discussion. Manne and Wallich (1972) argued that for the purposes of gauging any corporate practice or activity as a socially responsible practice, this practice should follow the three-element criteria. These criteria introduced by Manne and Wallich (1972) simply state that the socially responsible practices should be completely voluntary, should not have larger returns than the actual business investment and must be related to the corporation as a whole, and not linked to particular individuals within the firm.

Moreover, the work of Eilbert and Parket (1973) also highlighted the importance of considering the socially responsible practices as voluntary practices rather than obligations. They have extended the existing definitions and understandings of the concept by introducing examples of socially responsible practices that corporations can implement in order to pursue the greater good for the public and their surrounding societies. Practices that help in solving a variety of social problems such as racial discrimination, transportation or pollution can be considered socially responsible given that these remain voluntary. This argument was also corroborated



by the works of Eells and Walton (1974), in which they have elaborated on the importance of the corporate involvement in finding solutions to social problems, which will eventually lead to an “effectively functioning free society” (Eells and Walton, 1974, p. 247).

#### **2.3.2.3.2. The corporate social performance concept; the late 1970s**

Following the previous takes on CSR and the practices linked to the social responsibility of corporations, a shift in the discussion of this concept took place in the literature. Backman’s (1975) review of the social responsibility concept highlighted the need for considering the wider and more comprehensive performance of the firm. Backman’s (1975) argument comprised of acknowledging all actions and practices that corporations implement, such as the involvement in communities, reduction in pollution and installing health and safety policies. However, he highlighted the importance of the economic performance of corporations as a major contributing factor to their ability to consider socially responsible practices.

This argument was later extended in the work of Sethi (1975), where three main dimensions of corporate social performance were introduced. Sethi (1975) accentuated that the corporate behaviour can be either a social obligation, a social responsibility or a social responsiveness. The interpretation of these dimensions places them in different categories based on the social contribution value they hold. The social obligation refers to the economic and legal responsibility, whereas the

social responsibility and responsiveness refer to the ethical and discretionary responsibilities which are later discussed in the work of Carroll (1979).

#### **2.3.2.3.2.1. Total social responsibility**

In view of the fact that much of the CSR literature in the 1950s, 1960s and 1970s lacked an empirical contribution, scholars such as Zenisek (1979) highlighted the need for introducing a CSR model that can be measured and tested empirically. In this regard, Zenisek (1979) stressed that the majority of the literature and scholarly work relied heavily on introductions of various terms, definitions and explanations, rather than providing empirical work to measure the theoretical claims. Following Zenisk's (1979) critique, Carroll (1979) proposed a measurable conceptual model of corporate social performance, which when tested should clarify the definition and practices of corporate social responsibility that has been introduced throughout the three previous decades. Carroll (1979) defined corporate social responsibility and constructed his definition based on four main categories of the responsibilities. The main social responsibility categories that Carroll (1979) introduced comprised of economic responsibilities, legal responsibilities, ethical responsibilities and discretionary responsibilities. Carroll (1979) referred to these four main categories as the total social responsibilities (see Figure 2.1).

According to Carroll (1979), these four categories:

*“are not mutually exclusive, nor are they intended to portray a continuum with economic concerns on one end and social concerns on the other. That is, they are neither cumulative nor additive. Rather, they are ordered in the figure only to suggest what might be termed their fundamental role in the evolution of importance. Though all of these kinds of responsibilities have always simultaneously existed for business organisations, the history of business suggests an early emphasis on the*

*economic and then legal aspects and a later concern for the ethical and discretionary aspects. Furthermore, any given responsibility or action of business could have economic, legal, ethical, or discretionary motives embodied in it. The four classes are simply to remind us that motives or actions can be categorized as primarily one or another of these four kinds.” (Carroll, 1979, pp. 499 – 500).*

Based on this explanation of Carroll (1979), defining and explicating each and every one of these responsibilities is essential.

According to Carroll (1979), the economic responsibility is the first and most important social responsibility of the firm. This is due to the fact that businesses are the basic economic contributors in any given society. This is corroborated by the earlier work of Sethi (1975), who identified the economic responsibility as a social obligation by corporations towards societies, for the critical value this responsibility carries. Moreover, as seen in Figure 2.1, Carroll communicated the importance of this responsibility and its value through the graphic representation of the size and area it covers within the total social responsibilities model. Besides, Carroll (1979) presented the second type of social responsibility that is the legal responsibility. According to Carroll (1979), this responsibility is integral to the economic responsibility introduced earlier, as the basic assumption of the legal responsibility lies within the laws, rules and regulations set by the legal institutions and societies for corporations to conduct their economic responsibility.

This has also been discussed in the earlier work of Sethi (1975) when he elaborated on the social obligation dimension, which includes both the economic and the legal responsibilities. Further, the value of this responsibility is determined by the graphic illustration in Figure 2.1, as Carroll (1979) stated that the legal responsibility carries a relatively equal significance to that of its counterpart, the economic responsibility.

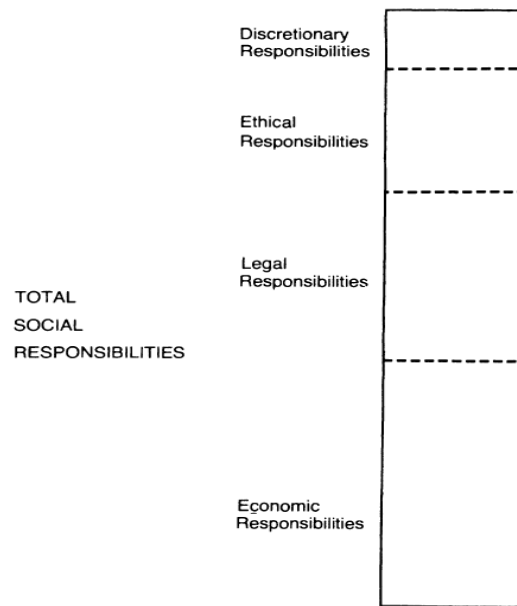
According to Carroll (1979), without the vivid legal framework, achieving economic goals and objectives can be an arduous task for corporations.

Further to the economic and legal responsibilities, Carroll (1979) identified the ethical responsibility as the third element of the total social responsibilities model. As stated in Carroll's (1979) work, both the economic and legal responsibilities encapsulate a set of ethical norms, behaviours and activities. However, as presented in Section 2.2, defining and elucidating ethics and what they comprise of has been a strenuous challenge for scholars throughout history. On the contrary, societies have certain expectations that businesses have to meet, which go beyond their economic and legal responsibilities. These expected behaviours and activities are listed under the ethical responsibility of the firm. In the work of Sethi (1975), he identified the dimension of social responsibility as a major umbrella for ethical responsibilities.

Unlike the economic and legal responsibilities, that were listed as part of the identified dimension of social obligation, ethical responsibilities were regarded as what brings "corporate behaviour up to a level where it is congruent with the prevailing social norms, values, and expectations of performance." (Sethi, 1975, p. 62). Moreover, as seen in Figure 2.1, Carroll (1979) placed the ethical responsibilities third in the graphic sequence, giving it a relatively smaller contribution to the total social responsibilities model and the total social performance. This is conceptualised due to the fact that the ethical responsibility is seen as the amalgamation of the obligatory economic and legal responsibilities.

The final element in the total responsibilities model introduced by Carroll (1979) is the discretionary responsibilities. Those responsibilities are regarded to be more of expectations than they are responsibilities. The participation and implementation of certain practices and activities that can be described as discretionary responsibilities is left to the individual's or corporations' judgement and choice, as these are purely voluntary and open to interpretation. Carroll (1979) identified a few examples to illustrate what would construct a discretionary responsibility within the context of CSR, or the model of total responsibilities introduced in his works. Discretionary responsibilities can be the philanthropic contributions a certain corporation makes to provide day-care for its working mothers or provide training for the unemployed in a certain society. All these activities are left to the corporations' discretion and are not linked to the social obligation in terms of the economic or legal responsibilities as discussed in Sethi's (1975), as well as Steiner's (1971) introduction and definition of CSR. This responsibility in particular, is linked to the research problem presented in this thesis. However, this argument becomes clearer as we elaborate on the social responsiveness concept, which is regarded as a core component of the overall view on corporate social responsibility.

**Figure 2.1: Social responsibility categories**



Adopted from Carroll (1979, p. 499).

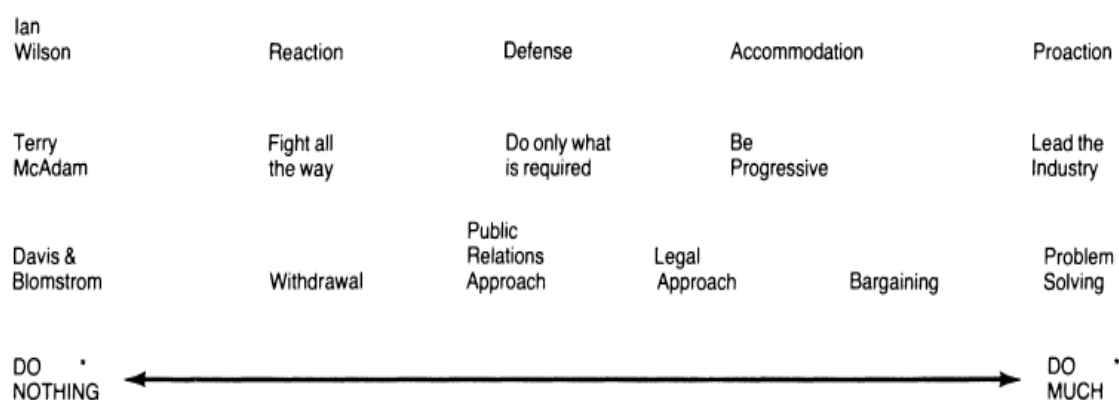
#### **2.3.2.3.2.2. Social responsiveness**

According to Sethi (1975), social responsiveness is one of the three basic elements that constitute the corporate social performance. Sethi (1975) defined the social responsiveness element as the process by which corporations adapt certain behaviours in order to fit and respond to social needs in a given society at a certain time and place. Moreover, while Frederick (1978) focused on defining CSR, his definition was used to emphasise the importance of the “response” process in social responsibility. He stated that:

*“corporate social responsiveness refers to the capacity of a corporation to respond to social pressures. The literal act of responding, or of achieving a generally responsive posture, to society is the focus. One searches the organisation for mechanisms, procedures, arrangements, and behavioural patterns that, taken collectively, would mark the organisation as more or less capable of responding to social pressures” (Frederick, 1978, p. 6).*

Furthermore, Carroll (1979) elaborated on the concept and integrated it into his corporate social responsibility model, which consists of a number of total social responsibility elements and social responsiveness factors. For the purposes of establishing the social responsiveness continuum, which varies and expands based on the type of response from the notion of “doing nothing” to the notion of “doing much”, Carroll (1979) cited the work of Davis and Blomstrom (1966), McAdam (1973) and Wilson (1975) (see Figure 2.2).

**Figure 2.2: Social responsiveness continuum**



Adopted from Carroll (1979, p. 502).

These response strategies that are presented in Figure 2.2, represent the adaptation of these certain behaviours to respond to social issues or problems. Establishing this continuum and placing these strategies based on the level or extent to which corporations respond to social problems and needs, helped Carroll (1979) develop the concept and process of social responsiveness.

In the past, corporate social responsiveness has been discussed as an alternative option or a replacement to the classic understanding of corporate social responsibility. However, Sethi (1975) and Frederick (1978) clarified that social responsiveness is a component of social responsibility rather than an alternative. It was classed as the actions that corporations undertake to respond to any social need within a specific social sphere. By looking at the response strategies and types presented in Figure 2.2, it is clear that these response strategies enable corporations to operationalise their social responsibilities without being impeded by the confusing and often irrelevant definitions on what constitutes true responsibilities, which could delay the process of responding, and therefore, lose credibility within their social sphere.

The social responsiveness continuum presented in Figure 2.2 represents new elements that are linked to the managerial and corporations' social performance and responsiveness, rather than being only an explanation of their social responsibilities. The strategies presented in the Figure 2.2 have no links to moral or ethical connotations, hence, it is concerned only with the processes of response. The process expands based on a variety of aspects, such as the process of organising social responses (McAdam, 1973), the process of regulating social activities and the process of forecasting and social planning (Newgren, 1977). The continuum also includes response processes linked to social policy making, decision making and social decision making (Steiner, 1972; Preston and Post, 1975; Bowman and Haire, 1975; Fitch, 1976; Sturdivant and Ginter, 1977; Carroll, 1977; Post and Mellis, 1978).



Carroll's (1979) introduction to this conceptual model that included the aspects of social responsiveness was the beginning of a new era of understanding corporate social responsibility and allowed for further development of the literature in this particular field. This historical overview of the CSR concept and how it developed to include the social responsiveness aspect, is highly relevant and linked to the research problem presented in this thesis. Having introduced the concept, it is important to highlight at this stage that the social responsiveness aspect of CSR is one of the most essential aspects in this thesis. The response strategies for enhancing security and countering terrorism, which will be discussed in detail in Chapter 3, emanate from social responsiveness strategies.

#### **2.3.2.3.3. More themes and empirical research: the 1980s onwards**

The interest and focus of scholars in the beginning of the 1980s was more focused on introducing new themes and concepts rather than defining or redefining CSR. These new themes and concepts included the newly introduced corporate social responsiveness, business ethics, corporate social performance, institutions and the stakeholder theory. This interest in those new approaches did not mean that scholars are not attracted to unanimously agree on a CSR definition; however, their drive in exploring and developing those new themes is the core purpose to help establish a mono understanding of the social responsibility concept and implications. In one of the most notable works on CSR in the 1980s, Jones (1980) wrote on his perceptions of CSR. Jones (1980) seemed to agree and emphasise the role of the firm and corporations in social responsiveness and the process behind which Jones (1980) highlighted the importance of previous works of Sethi

(1975), Frederick (1978) and Carroll (1979), and stressed that CSR is constituted by the behaviour associated with responding to social needs. He wrote that:

*“corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behaviour influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities” (Jones, 1980, pp. 59-60).*

Furthermore, the extended work on CSR was more focused on the processes and the social responsiveness aspect. This is highlighted in the work of Strand (1983) and Wartick and Cochran (1985). Moreover, Epstein (1987) highlighted the same emerging themes in his definition of CSR. Epstein (1987) corroborated the previous work of Sethi (1975), Frederick (1978), Carroll (1979), Jones (1980), Strand (1983) and Wartick and Cochran (1985) by stressing the concepts of responsibility, responsiveness and business ethics as themes and concerns that are closely related and overlapping. Epstein’s (1987) take on CSR goes as follows:

*“corporate social responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects on pertinent corporate stakeholders. The normative correctness of the products of corporate action have been the main focus of corporate social responsibility” (Epstein, 1987, p. 104).*

Furthermore, in his take on the embeddedness of corporate social responsiveness in business ethics and social responsibility, Epstein (1987) added:

*“the nub of the corporate social policy process is the institutionalisation within business organisations of the following three elements, business ethics, corporate social responsibility and corporate social responsiveness” (Epstein, 1987, p. 106).*

Another major theme that emerged during the development of CSR and social responsiveness in the 1980s, 1990s and onwards was the stakeholder theory or stakeholder management (Freeman, 1984; Carroll, 1999). Freeman (1984) was one of the early scholars in popularising the concept of stakeholder management in the context of corporate social responsibility and social responsiveness. Freeman (1984) argued that the orientation of a certain corporation is highly linked with how this particular corporation views their relationship with their stakeholders.

Additionally, Carroll (1991) encouraged and justified linking the stakeholder theory to the study of CSR, social responsiveness and business ethics by stating that “there is a natural fit between the idea of corporate social responsibility and an organization’s stakeholders” (Carroll, 1991, p. 43). This encouragement comes as a response for the arguments that Johnson (1971) faced when he defined corporate social responsibility and emphasised the role of the firm in balancing a multiplicity of interests. Those interests include striving beyond profit making and extend to maintaining strong social interaction with shareholders, customers, employees, community leaders and nations as a whole. Johnson (1971), and the following work of Freeman (1984) clarified the notion of ‘social’ by identifying the entities to which any corporation is socially responsible towards. A further detailed discussion of the stakeholder theory and other approaches in CSR such as the sustainability approach, and the institutions approach will be presented later in this chapter.

#### **2.3.2.3.4. Summary of CSR concept; definitions and themes**

The CSR literature was heavily focused on definitions which resulted in a remarkable number of different definitions. This created a confusion as to how to understand, apply and develop this concept. Therefore, scholars such as Dahlsrud (2008), and Pelozo and Shang (2011) presented meta-studies that helped in analysing the most common trends and themes in corporate social responsibility, as well as the most used and agreed upon definitions.

According to Dahlsrud (2008), the review of definitions and themes conducted resulted in acknowledging the stakeholder approach as the most common and most frequently used in defining and applying attributes of CSR. Additionally, the most frequently used definition of CSR is that of the Commission of the European Communities (2001), which was precise, comprehensive and covered all dimensions and themes. The dimensions covered in this definition acknowledged the voluntary nature of CSR practices and activities, the importance of the interactions with stakeholders, how all these practices should aim at responding to social needs and the greater good, the economic value of the firm and last but not the least, the environmental issues in a given social sphere.

The importance of analysing the historical evolution of the CSR concept lies in the ability to clarify every perspective associated with this concept. Moreover, the benefit of exploring the evolution of CSR comes from understanding the criticisms associated with the definitional development, the themes, the dimensions and attributes. One of the major criticisms of CSR was the lack of empirical evidence. However, as the concept was in its infancy, it was expected to have major theoretical

contributions rather than empirical ones. Moreover, the debate on whether the stakeholder theory, the institutions approach or the economic and environmental sustainability approach best describe and associate with CSR is yet to be resolved. The following literature analysis of theoretical and empirical contributions to CSR shall work as a guide to the selection and application of the theoretical framework that will be utilised to achieve and answer the research aim, objectives and questions.

### **2.3.3. Approaches and implications of CSR**

The evolution of the corporate social responsibility concept allowed for further development in the approaches, theories and themes used in the empirical contributions within the field. According to Garriga and Mele (2004), the CSR field is associated with a continuous burgeoning of theories and approaches. Those approaches and theories are usually associated with a degree of complexity and lack clarity; additionally, the variety and proliferation in the number of theories works as an encouraging factor for criticism and controversy. Garriga and Mele (2004) presented a new classification in their work on the approaches of CSR. They have classified the approaches into four main groups. These groups consist of instrumental, political, integrative and ethical theories.

The instrumental theories are associated with the economic role and value of the firm, where corporations' social activity is planned, implemented and seen as a method to maximise their wealth. Whereas the political theories are solely linked to the political role of the firm in terms of the level of power, the responsible use of

power, and the social impact of using this power. On the contrary, integrative and ethical theories are operationalised and linked to social demands and how ethical corporations can be in a given social sphere. These four groups included a number of theories that are associated with the grouping method. Instrumental theories include approaches such as maximising the shareholder value, the strategies for achieving competitive advantage, strategies for the bottom of the economic pyramid and the cause-related marketing approach (Garriga and Mele, 2004).

Furthermore, the political theories included approaches such as corporate constitutionalism, the integrative social contract theory and corporate citizenship. Whereas, the integrative and ethical theories, which explain and solve the research problem better, include approaches such as institutions and issue management, stakeholder management and corporate social performance, and last but not least, the sustainable development approach (Garriga and Mele, 2004).

Classed as an integrative theory, the institutions and issue management approach is embedded in the work of Ackerman (1973), Sethi (1975) and Jones (1980). Having introduced the notion of social responsiveness, Sethi (1975) faced the criticism of ignoring the link between actual corporate performance and the expected performance by the general public. Ackerman (1973) predicted this gap in the literature and introduced the process of institutionalisation. Ackerman (1973) suggested that internal organisational integration is essential for the performance of the firm, whether actual or expected by the public. This is emphasised in the work of Wartick and Rude (1986), in which they have highlighted the importance of institutionalising the processes by which corporations can be affected by the social

or political demands in a social sphere. These processes are institutionalised when they are formalised using the three-step model of identification, evaluation and categorisation, which was introduced by Greening and Grey (1994). Another integrative theory is the stakeholder management approach. First mentioned by Johnson (1971) and later formally introduced and developed by Emshoff and Freeman (1978), the stakeholder theory is concerned with the relationship and the interaction between corporations and those who affect, or are affected by the social behaviour of corporations. These could be individuals or organisations and referred to as stakeholders.

Moreover, this approach is closely associated with the overall corporate social performance in general and the social responsiveness aspect in particular. However, the method of response by corporations determines the degree of sensitivity and rapidness of response towards the social environment in which corporations operate (Kaptein and Van Tulder, 2003).

Although, the beginnings of the stakeholder theory played a role in deeming it an integrative theory, Freeman (1984) argued that it is a more ethically-based theory and would be better explained under the ethical theories of corporate social responsibility rather than the integrated theories. Freeman (1984) highlighted that stakeholders have a stake or a claim on corporations. Whether they are the customers, the suppliers, the employees, the shareholders or the community leaders, corporations are ethically responsible towards those stakeholders. This is corroborated in the work of Donaldson and Preston (1995), where they stressed that the stakeholder theory has a normative core. This normative core is explained by

two main ideas. Firstly, regardless of whether they are individuals or groups, stakeholders are those that have a legitimate and substantive interest in any activity performed by corporations. This means whether or not corporations have a mutual interest in stakeholders, they are the ones that are identified by their interest in corporations and therefore, the interest is a one-way road. However, correspondence is required by corporations to be deemed ethically responsible.

Secondly, Donaldson and Preston (1995) identified that the interest in corporations by stakeholders is of intrinsic value. This means that stakeholders are only interested in the value their relationship with corporations yields, regardless of whether it has a positive or negative impact on other stakeholders within the network. This leads to the proposition that in order to be considered ethically responsible, corporations need to establish the importance of the impact of their actions or practices on all types of stakeholders. A further detailed analysis and discussion of the stakeholder theory will be provided later in this chapter to highlight the criticism, advantages and disadvantages of using such a theoretical framework for the purposes of addressing the research problem presented in this thesis.

While integrative theories are used to explore and explain the social demands faced by corporations and how those corporations respond to these demands, ethical theories are used to verify the requirements of ethical behaviour. The purpose of any ethical theory is also to cement the relationship between businesses or corporations with society (Garriga and Mele, 2004). Sustainable development is another important and highly influential ethical theory. In 1995, Gladwin and Kennelly defined sustainable development as the “process to achieve human



development in an inclusive, connected, equiparable, prudent, and secure manner (Gladwin and Kennelly, 1995, p. 876). This definition does not limit the theory of sustainable development to environmental issues only, in fact, it amalgamates all the social aspects that can be included by mentioning that it is a process to achieve human development. This exclusivity yields a greater impact and result when looking at the world's development from a micro perspective, as well as a macro perspective.

In this respect, there is a stronger link between integrative and ethical theories and the research problem that is addressed in this thesis. In this thesis, we are looking at the level and the likelihood of corporate responsiveness towards a social problem or a need, rather than the economic value and wealth creation aspect or the political role and the level of power. Integrative and ethical theories such as institutions theory, sustainable development theory and the stakeholder theory are more suitable for this type of study than instrumental and political theories; a statement that will be clarified by the end of this chapter, after presenting an analysis and discussion of the empirical research associated with the previously mentioned theories.

#### **2.4. Relevant theories and frameworks in CSR research**

Identifying the relevant approaches, theories and frameworks in studying corporate social responsibility helps in understanding the concept and its implications. By looking at the quagmire of definitions and theories associated with CSR, this thesis identified and linked the integrative and ethical theories to the research problem and

established that the research problem is better explained if one of the integrative or ethical frameworks is used. Therefore, a detailed exploration and discussion of the chosen theories will add to the understanding of each of the theories or approaches. Moreover, the process of exploring and analysing the theories in question helps in understanding the epistemological and methodological approaches used in such studies. By analysing a number of empirical studies in every theory, it is anticipated that this analysis will establish greater assimilation of the use of those theories in studying CSR, as well as the methodological approaches that yielded greater results and success.

In this section, an analysis and a discussion of the sustainable development theory, the institutions theory and the stakeholder theory will be provided. The purpose of conducting this literature analysis is to identify the most suitable theoretical framework or approach to address the research problem represented in this thesis. The choice of those specific three theories was a result of the earlier historical analysis of corporate social responsibility literature. However, it is the empirical evidence that constitutes which framework will be most suited in this case.

#### **2.4.1. Sustainable development**

Sustainable development and management has always been reported and published by corporations. However, it remains unclear as to whether these attempts on sustainable development are focused on a particular dimension or multiple dimensions. According to Baumgartner and Ebner (2010), research on sustainable development shows that there is a lack of clear strategy by corporations

to address sustainable development dimensions such as the social dimension, the ecological or the economic sustainability dimension. Furthermore, Ihlen and Roper (2014) and Lozano (2013) corroborated that corporations fail to address the exact dimension or dilemma in their reports due to the fact that their sustainable development strategies are integrated into their corporate strategy as a whole. This led to the misconception as to how to pursue strategic sustainable development in the face of the economic, ecological and social issues in today's world. Broadly speaking, the World Commission on the Environment and Development (1987) defined sustainable development as the "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on the Environment and Development, 1987, p. 43).

This definition clarified the sustainable development term; however, it was unclear as to how to extend this into further dimensions. As a result, scholars from various disciplines extended this definition. In 1999, Ariansen defined sustainable development as "the ability of the whole or parts of a biotic community to extend its form into the future" (Ariansen, 1999, p. 84). Although this definition stemmed from the ecological scientific research stream, the understanding of sustainability and sustainable development can be extended into the economic and social dimensions. To elaborate, Johnston et al. (2007) claimed that there is a tight linkage between traditional ecological sustainability concepts and the ever changing economic and social environment. Johnston et al. (2007) simplified the definition by implying that sustainability simply means any action, activity, practice or strategy that can be sustained and continued in the future and is considered part of the sustainability

strategy of a given corporation in a specific social, economic or environmental sphere.

Moreover, Glavic and Lukman (2007) stated that the evolution of human society from the responsible economic point of view is emphasised by sustainable development, bearing in mind the ever-changing environmental and natural processes. Additionally, Glavic and Lukman (2007) added that strategic sustainable development practitioners and researchers must consider the limitations of all three dimensions of sustainable development, namely the economic, social and environmental dimension.

Furthermore, Robert et al. (2002) introduced the framework for strategic development (FSSD), which identified the four general principles for strategic sustainable development. Firstly, in a sustainable society, nature is not subject to systematically increasing concentrations of substances extracted from the Earth's crust. Secondly, nature is not subject to concentrations of substances produced by society. Thirdly, nature is not subject to degradation by physical means. Lastly, in that society, people are not subject to conditions that systematically undermine the efforts to meet their needs (Robert et al., 2002; Baumgartner and Ebner, 2010; Baumgartner, 2014). These principles can be linked to the role of corporations in creating value in a specific social sphere regardless of the dimension, whether it is economic, environmental or social (Carpenter and White, 2004; McWilliams and Siegel, 2011).

Although previous research on corporate social responsibility and business ethics classed sustainable development as one ethical theory to studying CSR (Garriga and Mele, 2004), literature on sustainable development views the term more as a strategy or a business model rather than a theory (Baumgartner and Rauter, 2017; Rauter et al, 2017). Additionally, sustainable development advocates such as Amini and Bienstock (2014) claim that it is a comprehensive concept and strategy, which holds in its structure an equal division of importance to all three dimensions, the economic, the social and the environmental, whereas some linked it to corporations' supply chain strategies and how sustaining the supply chain can have an impact of sustainable development elements as described before (Hsueh, 2014). However, the empirical research that will be discussed in the following section shows that ecological and environmental issues take top priority when considering sustainable development practices and strategies.

#### **2.4.1.1. Relevance of the sustainable development approach**

For the purposes of understanding the relevance of the sustainable development approach and theory in the context of this study, it is important to explore the theoretical and empirical contributions made on CSR, responsiveness and response strategies using the sustainable development lens. Moreover, linking the research problem of corporate social responsiveness to security and terrorism issues to the concept and strategies of sustainable development might not be ideal. According to Bamidele (2012), sustainable development suffers the impact of terrorism and any attack on national security, as much as any part of a given nation. Furthermore, the

notion of resilience was paired with the concept of sustainability in studying the impact of natural disasters and hazards, terrorism and political unrest on nations.

According to Godschalk (2003), resilience is achieved through the sustainable network and pairing between the physical systems and human communities. Physical systems are represented by roads, buildings, infrastructure, communications and energy facilities. Whereas, human communities “are the social and institutional components of the city. They include the formal and informal, stable and ad hoc human associations that operate in an urban area: schools, neighbourhoods, agencies, organizations, enterprises, task forces, and the like.” (Godschalk, 2003, p. 137). Additionally, Mileti (1999) defined resilience in a specific society as their ability to “withstand an extreme natural event without suffering devastating losses, damage, diminished productivity, or quality of life, and without a large amount of assistance from outside the community” (Mileti, 1999, pp. 32-33).

On connecting the notion of resilience to sustainable development and expanding the term to include the interplay between security and environmental issues, Coaffee (2008) stressed that there has been a significant shift in the design and the implementation process of national security and environmental policies. Coaffee (2008) stated that there is a:

*“need to think critically about building resilience into critical urban infrastructure to take account of both security and environmental issues. This push to incorporate resiliency principles into systems of planning and design has been undertaken in many cities in the context of widespread urban revitalisation. This presents opportunities to integrate an array of security features into the design and maintenance of the city in response to the occurrence of and fear of crime and terrorism alongside tackling concerns for environmental sustainability” (Coaffee, 2008, p. 4635).*

Notwithstanding, much of the empirical research that has been published on sustainable development, and the link to corporate social responsibility, as seen in Table 2.1, was mostly focused on economic and environmental issues rather than social issues (Tregidga et al., 2014). While investigating corporations' representation of sustainable development, Tregidga et al. (2014) analysed 365 corporate reports from New Zealand over a period of 20 years, from the early 1990s until the year 2010. Their discourse analysis reported an evolving organisational identity that captured the issues of environmental responsibility and sustainable leadership and strategy. Moreover, Joensuu et al. (2015) corroborated by examining the sustainability reports of a number of Finnish corporations that those corporations tend to use the social aspect to acquire the legitimacy that they are seeking for their environmental strategies and practices. On the contrary, Grzebyk and Stec (2015) reported that all three dimensions of sustainable development, namely economic, social and environmental have an equal weight and consideration in the sustainability reports they have analysed between 2005 and 2012. However, Grzebyk and Stec (2015) clarified that these results apply to developing countries in the European Union, especially countries that have been members of the Union for a longer period of time than their counterparts.

This is evident in the work of Chow and Chen (2012). Chow and Chen (2012) proposed and analysed a model of corporate sustainable development by examining the responses of a number of Chinese managers. Once analysed, Chow and Chen (2012) validated their proposed comprehensive model of sustainable development. They stated that all three dimensions can be integrated in one model, measured and analysed. A more recently conducted study by Lozano (2013)

reported that the inter-link between all three dimensions in sustainable development reports exists. However, the level of this link cannot be determined due to the lack of inclusion in the sustainability reporting guidelines and the holistic nature of businesses and sustainability issues.

Furthermore, Weber et al. (2014) explained the inability to determine the levels of inter-links between sustainability dimensions relates back to the difference in industries and the surrounding environment. For example, manufacturing industries will be more concerned on reporting their environmental sustainability because of the polluting factor. However, a corporation in the financial sector does not have that polluting factor, therefore their environmental sustainability dimension is less present than their social or economic dimensions. Following is a summary table for the empirical studies associated with corporate social responsibility and the sustainable development approach.

**Table 2.1: Summary of empirical studies on sustainable development**

Author/ Year	Title of the study	Methods	Sample	Main findings
1) Chow and Chen (2011)	Corporate Sustainable Development: Testing a New Scale Based on the Mainland Chinese Context	Survey. Structural equation modelling.	314 Chinese managers who are studying for a part-time MBA in a university in mainland China.	Provide a better understanding of corporate sustainable development (CSD), which comprises three empirical dimensions (social, economic, and environmental). Confirmed the stability of these three dimensions. Future research should focus on examining the links between CSD- and variables such as



				organisational performance, capabilities, or the stakeholder integration.
2) Grzebyk and Stec (2015)	Sustainable Development in EU Countries: Concept and Rating of Levels of Development	Indexing and synthetic measures of statistical (developed through the media method) indicators gathered as secondary data.	European Union member states sustainability reports from 2005 until 2012.	EU member states that have been members for a longer period than their counterparts showed greater advancement in their sustainable development than countries that joined the EU at a later stage.
3) Joensuu et al. (2015)	Social Proximity and Environmental NGO Relationships in Corporate Sustainability Reports	Secondary data (company and industry reports). Content analysis.	Sustainability reports of three Finnish companies, represent that three different sectors; financial, energy, and aviation. Over the period from 2003 until 2012.	Relationships constructed in corporate sustainability reports have shifted from being non-stakeholder relationships to more socially proximate, collaborative ones. Social proximity is primarily constructed through non-business related projects.
4) Lozano (2013)	Sustainability inter-linkages in reporting vindicated: a study of European companies	Secondary data (company sustainability reports) Graphical assessment of sustainability performance tool (GRASP).	53 European companies, from 13 different industries.	Results show that companies are reporting on inter-linked issues and dimensions. Having a more direct impact on the environmental dimension may explain why some industries have higher coverage and performance ratings. These differences should be further explored.
5) Tregidga et al. (2013)	(Re)presenting 'sustainable organisations'.	Discourse analysis.	365 company reports between 1992 and 2010 in New Zealand.	Organisations are positioned from early on as natural and legitimate actors to take care of society and the environment. Sustainable organisations found

				here might lead some to assume that organisations are becoming, reformed sustainable actors, when the change they posit may be largely rhetorical.
6) Weber et al. (2014)	Corporate Social Responsibility of the Financial Sector – Strengths, Weaknesses and the Impact on Sustainable Development.	Secondary data (Indicators extracted from company reports, databases, media and NGOs). Multinomial logistic regression.	Global study, multi-country, multi-region. 1800 firms. 400 of these are in the financial sector.	The financial sector performed significantly less well than the average of all other sectors, (sectors such as energy, materials, consumer staples and utilities), in the fields of reporting, business ethics and product responsibility, and labour issues.

Constructed by the author from multiple sources.

It is evident from the conceptual and empirical research that has been conducted on sustainable development with regards to corporate social responsibility that all dimensions of sustainability, including the social dimension, have been given equal opportunity of inclusion and importance. Moreover, there is a lack of discussion on social responsiveness frameworks and issues in regards to social needs and problems. Although relevant topics of hazards, security and terrorism were mentioned conceptually, there is no clear link as to how corporate sustainable development is affected by such issues, or how corporate sustainable development can contribute to sustaining and enhancing security in a particular setting. Given that the conceptual and empirical research does not provide satisfactory links relevant to the research problem in this thesis, further exploration, analysis and discussion of other CSR and social responsiveness theories and approaches is needed.

### 2.4.2. Institutional theory

One of the most preferable theories and approaches in studying corporate social responsibility and social responsiveness is the institutional theory. According to Scott (2008), there is an ascendance in the evolution of the institutional theory. Scott (2008) highlighted that this evolution is a continuation and an extension of the intellectual revolution that started in the mid-1960s, starting with concepts of open systems, which was introduced by Katz and Kahn (1966). Katz and Kahn (1966) referred to open systems theory as an approach that insists on the larger importance of the wider context of the surrounding environment of any given organisation.

Further, this discussion of the external environment of the organisation started to expand into issues relating to social and cultural values. Scott (2008) recognises that the evolution of institutions and the institutional theory was only a result of the integration institutions have in economics, political sciences and sociology. However, when studying organisations and their relationship with institutions, the bureaucratic behaviour was initially the most described and analysed notion (Merton, 1936). Furthermore, the discussion of institutions and the institutionalisation process became more evident in the later work by Merton (1940/1957). Merton identified the institutional processes within organisations as follows:

*“They may ensue, in particular vocations and in particular types of organisations, the process of sanctification. Through sentiment-formation, emotional dependence upon bureaucratic symbols and status, and affective involvement in spheres of competence and authority, there develop prerogatives involving attitudes of moral legitimacy which are established as values in their own right, and are no longer viewed as merely technical means for expediting administration” (Merton, 1940/1957, p. 202).*

In this definition, Merton described the process of institutionalisation and linked it to how it evolved into a more technical process through which organisations can gain legitimacy, which is one of the core issues that institutions and the institutional theory discuss. Further, Selznick (1957) elaborated on the works of Merton and presented his view on institutions and the process of institutionalisation as follows:

*“institutionalisation is a process. It is something that happens to an organisation over time, reflecting the organisation’s own distinctive history, the people who have been in it, the groups it embodies and the vested interests they have created, and the way it has adapted to its environment. In what is perhaps its most significant meaning, “to institutionalise” is to infuse with value beyond the technical requirements of the task at hand” (Selznick, 1957, pp. 16- 17).*

Although these seminal definitions of the process of institutionalisation give insight as to what and how the process would consist of or take place within an organisation, the focus in this discussion of the institutional theory is to highlight the relationship between organisations or corporations, with institutions in their surrounding environment within the context of corporate social responsibility and social responsiveness. Additionally, for the purpose of identifying the meaning of the word institutions, and what these stand for, Scott defined institutions as those that are “comprised of regulative, normative, and cultural-cognitive, elements that, together with associated activities and resources, provide stability and meaning to social life” (Scott, 2008, p. 48).

Furthermore, Dacin et al. (2002) stated that the use of institutional theory to study organisations and their surrounding environment has risen to prominence as a popular and powerful explanation. Dacin et al. (2002) described the institutional

theory as a vibrant theory that has been synthesised and contrasted with a number of other approaches. They added that “although its scope has certainly been expanded, institutional theory has often been criticized as largely being used to explain both the persistence and the homogeneity of phenomena” (Dacin et al., 2002, p. 45). It is noted in Dacin et al’s (2002) work on institutions that institutions change over time and should not be uniformly taken for granted. They also added that institutions have effects that are particularistic, are challenged as well as hotly contested and change in character and potency over time.

#### **2.4.2.1. Relevance of the institutional approach**

According to Scott (1987), the institutional theory has a number of implications of different natures. Scott (1987) stated that the institutional theory or approach can be a process of instilling value, a process for creating reality or a process to understand the interactions within a societal sphere. Scott (1987) stated that:

*“institutional theory focuses attention on the existence of a set of differentiated and specialized cognitive and normative systems, institutional logics and patterned human activities that arise and tend to persist, in varying form and content, in all societies. These logics and behaviours constitute repertoires that are available to individuals and organizations to employ in pursuit of their own interests” (Scott, 1987, p. 500).*

Furthermore, Scott (2008) identified the three major pillars as the vital ingredients of institutions. Regulative, normative and cultural-cognitive systems are the three pillars that form a continuum on which these move from the conscious to the unconscious and from the legally enforced to the taken for granted. The regulative pillar refers to the rules, laws, governance, systems, protocols and procedures.

Moreover, the normative pillar refers to the values, expectations, jobs, roles, duties, conventions and standards. Whereas, the cultural-cognitive pillar refers to the structural isomorphism, identities, schemes and symbolic value (Scott, 2008). These pillars were used to describe and explain institutions and the characteristics of organisational interaction with institutions. However, the organisational change that is driven by institutions was better described and categorised by the work of DiMaggio and Powell (1983).

Prior to DiMaggio and Powell's (1983) explanatory work on the organisational isomorphic change, Meyer and Rowan (1977) stressed the need to focus on the structural and procedural aspects of organisations. The wider rationalised institutional environments guided the emphasis on offices, formality, specialised functions, records, rules, regulations and routines. Meyer and Rowan (1977) stated in their discussion of the institutional environment of the organisation, that:

*“independent of their productive efficiency, organisations which exist in highly elaborated institutional environments and succeed in becoming isomorphic with these environments gain the legitimacy and resources needed to survive” (Meyer and Rowan, 1977, p. 352).*

To corroborate, DiMaggio and Powell (1983) supported this emphasis on institutional isomorphism by focusing the attention on the three identified characteristics of the isomorphic behaviour, namely the coercive mechanism, the normative mechanism and the mimetic mechanism. They highlighted that these three mechanisms “make organisations more similar without necessarily making them more efficient” (DiMaggio and Powell, 1983, p. 147). These arguments and

assumptions on the legitimacy, organisational change and the institutional environment are all linked to how institutions provide the rules and regulations by which organisations play. Those organisations establish their relationship with society and other organisations based on the rules and regulations that are set by institutions.

One additional independent view of organisations within the institutional theory is the strategic responses view. In this view, organisations are seen as the opposite of being passive or powerless, as this was the traditional view that has always emerged in the institutional theory studies. Scholars such as Pfeffer and Salancik (1978), Pfeffer (1981), Perrow (1986) and DiMaggio (1988) called for the attention on power and agency in legitimacy to increase. These calls for investigating power in organisations led to a wider interest in the organisational responses to their institutional environment either on an individual level (Oliver, 1991) or a collective, collaborative level (Kaplan and Harrison, 1993).

To elaborate, according to Oliver (1991) there are five main response strategies that are followed by the individual organisation in response to institutional demands, environment and change. Acquiescence or conformity is the first and most frequently mentioned response strategy in the institutional theory research. Secondly, organisations might resort to the use of the compromise strategy, through which they can negotiate institutional demands. Thirdly, organisations can benefit from the strategy of avoidance. While adopting this strategy, organisations can absolve some parts of their organisation from the necessity of conforming to institutional demands without interspersing the flow of operations.

The fourth strategy refers to the process of defiance, where organisations start to show a degree of resistance to institutional pressures. The fifth and final strategy is for organisations to manipulate institutional demands. The final two strategies exemplify the power that individual organisations practice in their response to institutions and institutional demands. While adopting these defiance and manipulation strategies does not change the institutional environment, organisations gain the power and opportunity to influence and control the institutional environment and demands (Oliver, 1991).

Notwithstanding the scholarly efforts in explaining the impact of institutional demands and the institutional environment on organisations, and how in return those organisations respond to these demands, it remains essential to elaborate and link the institutional approach and these strategies to corporate social responsibility and social responsiveness. According to Kostova et al. (2008), when corporations and organisations engage in practices and activities that are not required by any institutional context, it helps them being viewed as socially responsible. In this regard, Kostova et al. (2008) added that

*“through engaging in such discretionary activities and publicising them well, organisations can build additional local support. In as much as these processes of legitimacy social construction and negotiation are firm and actor specific, they will result in increased diversity rather than similarity between organisations” (Kostova et al., 2008, p. 1001).*

On the contrary, Brammer et al. (2012) argued that although CSR is intensively linked to formal institutions that have a high degree of stakeholder participation, grounding it beyond the voluntary or discretionary perspective is a must in today's



contemporary business environment. They then added that “CSR research and practice thus rest on a basic paradox between a liberal notion of voluntary engagement and a contrary implication of socially binding responsibilities” (Brammer et al., 2012, p. 3). Brammer et al. (2012) elaborated by contesting the scholarly views which neglect the importance of the institutional theory in CSR research, by claiming that the application of the institutional theory in a wider aspect within the CSR research allows for a better understanding of the two major aspects of responsibilities, namely the diversity and the dynamics of CSR. This argument was presented in the earlier work and propositions offered by Campbell (2007); however, Campbell (2007) proposed that for the purposes of applying and extending the social behaviour of corporations within the institutional context, several conditions must be available, such as the private and public regulations, the monitoring of corporate behaviour, normative corporate behaviour and the isomorphic, memetic behaviour.

Furthermore, and in an attempt to analyse the corporate social behaviour and its relation to profit-making, Beliveau et al. (1994) combined the institutional theory, the economic theory and the agency theory to assist in explaining CSR and the nature of corporate social behaviour. Using data on corporate reputation with differentiated measures that spans across 6 years, Beliveau et al. (1994) found that this combined perspective resulted in acknowledging how corporate behaviour, especially in relation to profit-making, is varied and different across industries. Corporations’ view of CSR and socially responsible behaviour changes according to the industry.

Additionally, Beliveau et al. (1994) inferred that social and organisational theories such as the institutional theory and the stakeholder theory, better explain CSR than those of pure economic nature.

Further extensions on CSR and institutional theory included research on issues of legitimacy and the political role of corporations whether operating locally or internationally. According to Beddewela and Fairbrass (2016), there exists numerous institutional pressures on CSR activities that are imposed by governments and industry associations. Furthermore, by analysing these pressures and the corporate behaviour of a number of subsidiaries, Beddewela and Fairbrass (2016) found that subsidiaries tend to use CSR activities in a pragmatic and an instrumental way to engage in legitimacy-seeking strategies, and respond to the institutional pressures mentioned earlier. This result was corroborated by the work of Rathert (2016) by using a larger sample of multinational corporations. Rathert (2016) stated that multinational corporations strategically adopt and implement CSR policies and activities in the field of labour rights in response to various institutional pressures. Moreover, practicing the political role of the firm leads to enhancing corporations' legitimacy, which in return results in influencing the policymaking process (Shirodkar et al., 2018). Following is a summary table of the empirical studies discussing corporate social responsibility through the institutions theory.

**Table 2.2: Summary of empirical studies on institutional theory**

Author/ Year	Title of the study	Methods	Sample	Main findings
1) Beliveau et al. (1994)	Predicting corporate social responsiveness: a model drawn from three perspectives.	Annual survey of Fortune magazine (1982-1987). Regression analysis of CSR measures in 25-33 industries.	Top 10 companies within 25-33 industries. Ranked based on financial soundness, long-term investment value, use of corporate assets, quality of management, innovativeness, quality of products or services, use of corporate talent, and community and environmental responsibility.	CSR levels and their relationship with profits vary across industries. Stock market measures and accounting measures respond differently to CSR measures.
2) Beddewela and Fairbrass (2016)	Seeking legitimacy through CSR: institutional pressures and corporate responses of multinationals in Sri-Lanka.	Case study research (multiple case design). 37 interviews analysed using NVivo 10.	Multinational subsidiaries based in Sri-Lanka using purposive sampling. Top 10 subsidiaries from a database containing rankings of a 100 companies.	The external institutional pressures on CSR activities varies according to the level of government control. Subsidiaries tend to use CSR activities to engage in legitimacy seeking strategies.
3) Shirodkar et al. (2018)	Firm-level determinants of political CSR in emerging economies: evidence from India.	Survey. Confirmatory factor analysis, linear regression.	105 out of a population of 1910 multinational subsidiaries operating in India and headquartered in 9 different countries.	By investigating criticality of local resources, subsidiaries' international interdependence, and managerial ties, the study found that subsidiaries that are critically dependent on local resources have greater ties to managers of related businesses and to policymakers, while subsidiaries that are interdependent on their headquarters are more likely to be involved in political CSR.
4) Rathert (2016)	Strategies of legitimization: MNEs and the adoption of CSR in response to host	Secondary data from ThomsonReuters' ASSET4 ESG and Bureau van Dijk's	A sample of 540 MNEs from 16 countries with 48,644 subsidiaries in total excluding	MNEs strategically adopt labour rights CSR activities and policies related to their presence in

	country institutions.	AMADEUS databases. Spatial weighting procedure.	subsidiaries in MNEs home country.	distinct institutional contexts. Host countries' institutional features drive the CSR policy adoption more than home countries do.
--	-----------------------	---	------------------------------------	--

Constructed by the author from multiple sources.

As evident in the previous conceptual and empirical explanations, arguments and propositions of research on the institutional theory, the issue of social responsiveness to meet the social problems and needs within corporations' business environment remain largely under-researched. Moreover, the empirically-driven studies tackled issues of policymaking, legitimacy, the political role of firms in terms of governance and corporate citizenship. This indicated a lack of empirical contributions towards the interaction between corporations and local and international institutions in terms of social responsiveness.

Even though the issues of organisational responsiveness were discussed and evident in the work of Oliver (1991) and Kaplan and Harrison (1993), the focus was on how organisations responded to institutional pressures to adapt internally and externally, making the notion of responsiveness tightly linked with the organisational performance, rather than extending this notion to the social aspect. Based on the previous review of both, the sustainable development approach and the institutional theory, this thesis infers that there is a further need to explore and discuss the stakeholder approach in the view of the fact that the previously mentioned approaches do not directly link to the research problem and objectives discussed earlier in Chapter 1.

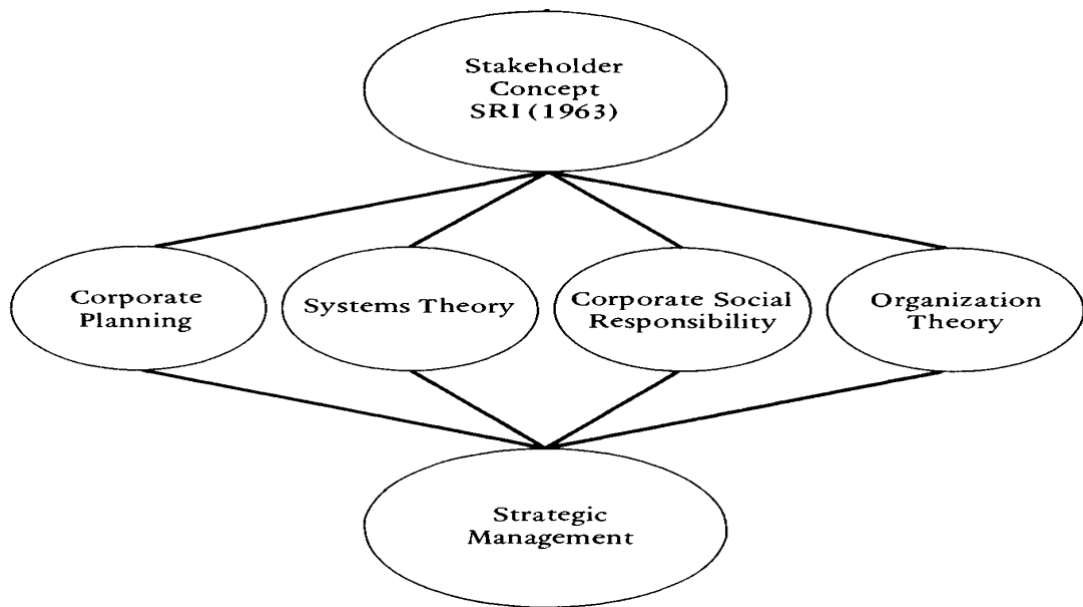
## **2.5. Stakeholder theory**

### **2.5.1. Introduction**

According to Freeman (1984), stakeholders are “any group or individual who can affect or is affected by the achievement of the organization's objectives” (Freeman, 1984, p. 46). Those groups, or individuals that are classed as primary stakeholders, are those that have an internal relationship with the organisation, whereas secondary stakeholders are those with whom the relationship is considered external (Freeman, 2010). Stakeholders can be consumers, internal managers and employees, governments, suppliers, investors, competitors, the media, local communities and non-government organisations (Park et al., 2014; Park and Ghauri, 2015; Maon et al., 2009).

The stakeholder theory is a product of many years of strategic management research. It was first mentioned in the work of the Stanford Research Institute (SRI) in 1963. The SRI used the term as a notion by which they generalised that businesses have a sole responsibility to be responsive to stakeholders. This particular use of the term led to exploring the different aspects of organisational studies to which the stakeholder approach applied. As stated in Figure 2.3 below, the stakeholder approach was applied in corporate planning, systems theory, corporate social responsibility and organisation theory (Freeman, 2010).

**Figure 2.3: Uses of the stakeholder approach and concept**



Source: Freeman, (2010), p. 32.

Initially, as this thesis focuses on whether stakeholders influence the corporate planning process regarding response strategies to terrorism and how that is considered a vital part of corporations' social responsibility and responsiveness to social issues and problems, it is inevitable to elaborate on the evolution of the stakeholder approach in both aspects, namely corporate planning and corporate social responsibility. To begin with, in his book on corporate strategy, Ansoff (1965) referred to stakeholders, and the stakeholders approach as the alternative to studying the decision making process. In this regard, Ansoff (1965) emphasised that corporations tend to focus on such alternatives and their consequences by stating that corporate planning is:

*"to seek an understanding of the nature and the structure of decisions- to identify the problem, to enumerate and define the controllable and uncontrollable variables, to establish relationships among them, to single out important decisions and to prescribe rules for arriving at them" (Ansoff, 1965, p. 15- 16).*

Although this implicit mention lacked the required elaboration, Ansoff (1965) at the time provided clear guidelines for general corporate strategic management that included frameworks for decision making, diversification and maximising firms' competitive advantage.

However, in argument with the initial propositions by Ansoff (1965), Taylor (1971) proposed that although the importance of stakeholders in the corporate and business planning process is at its peak, this importance will contract. This proposition was declined by a number of authors; Haselhoff (1976), Rothschild (1976), King and Cleland (1978), Hussey and Langham (1978), Derkenderen and Crum (1979), Heenan and Perlmutter (1979) all seemed to agree with the initial proposition of Ansoff (1965) by concluding that the stakeholder approach to business and corporate planning shapes a more efficacious process.

Having been embedded within the study of the organisation and the strategic planning, the shift in studying organisations and the understanding surrounding the changes in the external environment led to the rise of the corporate social responsibility concept. The changes that took place in the 1960s and 1970s were represented by the anti-war campaigns, consumerism, the rise of environmentalists, the issue of civil rights and so on and so forth. These changes encouraged rethinking the role of the corporation in society and spawned a breadth of ideas of how corporations contribute and respond to social problems, trends and issues (Freeman, 2010). Additionally, linking the stakeholder approach to corporate social responsibility became embedded in the literature discussing this concept. Johnson (1971) was the first to mention this link between the stakeholder approach and CSR,

by proposing the implication of satisfying stakeholders in the presence of socially responsible strategies. On the contrary, Carroll (1979) stated that it is rather a dependency than an implication. Furthermore, authors such as Freeman (1984), Wartick and Cochran (1985) and Freeman et al (2007) inferred that following the stakeholder approach influences corporations to act responsibly in order to respond, satisfy and maintain their relationship with their stakeholders.

### **2.5.2. Relevance of the stakeholder approach**

Corporate social responsibility has become more widespread within the global practitioner and researcher communities over the past few decades. According to Waddock (2008), the development of CSR and its institutional frameworks was contingent to the growing body of organisations in the public and private sectors equally. Due to this growing attention within academia towards what constitutes CSR and the determinants of the most suitable approach to study this concept, some scholars recommended the use of the stakeholder approach (Jamali and Keshishian, 2009; Aguinis, 2011; Oetzel and Getz, 2012; Park et al., 2014; Park and Ghauri, 2015).

In an exploratory study on a number of Finnish and Canadian corporations on corporate social responsiveness, Nasi et al. (1997) proposed the use of three different theoretical perspectives, namely, the social issue life cycle, the legitimacy theory, and the stakeholder theory. Nasi et al (1997) reported that the stakeholder theory or approach had the most support to corporate social responsiveness



aspects; however, there is no set of rules of the type and the magnitude of managerial response to stakeholders' demands and needs.

Bearing in mind the three different types of responding firms as identified by Murray and Vogel (1997); some firms avoid social pressure, some respond to social pressure and some others are grateful for their social settings. Nasi et al. (1997) elaborated on the power of stakeholders in inducing this corporate response by stating that:

*“managers are surrounded by powerful stakeholders to whom they must respond, starting with the most powerful. Their ability to react to an issue is constrained by which stakeholder group the issue is associated with and by the web of relations that will be affected by the management activity. But although the issues to which they must respond are defined, their actual response remains unconstructed, and managerial agency is therefore high. There is no specific set of phases that the management activity can be expected to pass through, nor are there particular strategies that one should consider” (Nasi et al., 1997, p. 305).*

On the contrary, Valiente et al. (2012) found that when following the specific set of social responsiveness strategies initially introduced by Carroll (1979) in his total social responsibility model, corporations with higher levels of performance, such as the number of employees, turnover and familiarity with CSR, respond to stakeholders' pressures. Furthermore, Jamali (2008) found similar results when studying a number of firms in developing countries. Jamali (2008) stated that those with international business perspective or multinational corporations respond to stakeholders' pressures through the implementation of a variety of CSR practices, and are more aware of the CSR practices and protocols than those with a limited domestic overview. This was in alignment with McWilliams and Siegel's (2001) propositions which discussed a higher presence and application of CSR with

corporations on a larger scale and scope, and corroborated by the work of Lourenco and Branco (2013).

Further, on the pressures imposed by stakeholders on large multinational corporations within the political conflict context, Oetzel and Getz (2012) investigated the factors affecting firms' response to violent conflict. Using the typology of social response strategies proposed in Oetzel et al. (2007), and a novel approach to viewing stakeholders by locality and internationality rather than internality and externality, their results indicated that both local and international stakeholder pressure increase the likelihood of implementing response strategies by reacting directly and indirectly to the social problem. Further, Park and Ghauri (2015) corroborated these results with the focus on emerging markets. Park and Ghauri (2015) tested stakeholders' influence on multinationals to conduct a socially responsible behaviour through their subsidiaries. Their results were in alignment with the study of Park et al. (2014) in the South Korean Market. Park et al. (2014) indicated that both the primary and secondary stakeholders positively influence multinational corporations' corporate social responsibility practices. Following is a summary table of the empirical studies discussing corporate social responsibility using the stakeholder approach.

**Table 2.3: Summary of empirical studies on stakeholder theory**

Author/ Year	Title of the study	Methods	Sample	Main findings
1) Oetzel and Getz (2012)	Why and how might firms respond strategically to violent conflict?	Survey and archival data. Multiple regression analysis and factor analysis. Dependant variable: firm response. Independent variables: Local stakeholders, International stakeholders.	471 MNCs and local firms from 80 countries. Sample drawn from UNGC (United Nations Global Compact).	Local stakeholder pressure is connected to firms' direct response to violent conflict, collaborative and unilateral response are present. International stakeholder pressure is connected to firms' indirect response to violent conflict, collaborative and unilateral response are present. Firm and industry characteristics are not significantly related to firm's response to violent conflict.
2) Park et al. (2014)	Corporate social responsibility: Stakeholder influence on MNEs activities.	Survey method. Postal survey questionnaire. OLS regression analysis. Dependent variable: MNE CSR. Independent variables: Primary and secondary stakeholders.	1531 Korean MNEs. 312 responded, 20.38% response rate.	Primary and secondary stakeholders positively influence MNEs' CSR. Business collaborators as stakeholders hold a negative and significant effect on MNEs' CSR.
3) Park and Ghauri (2015)	Determinants influencing CSR practices in small and medium sized MNE subsidiaries: A stakeholder perspective.	Survey method. Postal survey questionnaire. Dependent variable: Level of CSR activities by MNE subsidiaries. Independent variables: Primary and secondary stakeholders.	1531 SMEs subsidiaries of MNEs operating in South Korea. 335 responded. 311 responses were selected for examination.	Consumers, managers, employees, competitors, and non-governmental organisations influence CSR practices in MNEs subsidiaries more than other stakeholders.
4) Lourenco and Branco (2013)	Determinants of corporate sustainability performance in emerging markets: the Brazilian case.	Secondary data from the Thompson Worldscope database. Logistics regression.	233 large and well traded Brazilian firms.	Corporate sustainability performance is larger in large firms, hence their ability to respond and satisfy stakeholders.
5) Jamali (2008)	A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice.	Primary data. In-depth Interviews. Also included the Ethical Performance Score (EPS) checklist.	14 Lebanese and 8 Syrian companies of national and international backgrounds, from multiple and	Lebanese and Syrian firms of national background seem to prioritise their stakeholders based on their instrumental

			different industries.	considerations, i.e. maximizing profit. Multinational corporations operating in Lebanon and Syria have more balanced response strategies and management to a wider range of stakeholders not based on priority with instrumental considerations.
6) Valiente et al. (2012)	Social responsibility practices and evaluation of corporate social performance.	Secondary data. Survey conducted and recorded on the CREA database. Structural equation modelling.	416 Spanish firms from the Aragon region of all sizes and industries.	CSR practices in relation to stakeholders' pressures have a positive impact on the firms' performance.
7) Nasi et al. (1997)	The evolution of corporate social responsiveness: An exploratory study of Finnish and Canadian Forestry Companies.	Qualitative and quantitative content analysis of 16 year period of annual company reports.	Two Finnish and two Canadian forestry companies.	Found support for the stakeholder theory. Companies were very sensitive to their major stakeholders, which had a positive impact on their corporate social responsiveness to social problems.

Constructed by the author from multiple sources.

### 2.5.3. Summary of the stakeholder theory

Stakeholder theory offers a novel approach in organising and understanding corporate social responsibilities. Profit maximisation is no longer the sole goal of firms for satisfying the needs and pressures of stakeholders. According to Foster and Jonker (2005) and Hawkins (2006) the variety of stakeholders within the business environment dictates the means by which corporations prioritise their responsibilities. They suggested that even if the sole goal is purely instrumental and seeks profit maximisation, this cannot be achieved without controlling for primary and secondary stakeholders. To elaborate, Wallace (2003), Phillips et al. (2003) and

Hawkins (2006) emphasised how corporations' total value-added increases simultaneously by responding to stakeholders' pressures.

As can be seen from the empirical research that examined the stakeholder approach in regards to corporate social responsibility and responsiveness practices (Table 2.4), it was clear that firms are influenced by stakeholders in many aspects. Most studies found positive relationships between either primary or secondary stakeholders, or both and the implementation of CSR and corporate social responsiveness practices and activities. Additionally, the location, type, size, industry and/or the age of the firms investigated did have a very limited impact on the results. However, larger firms and multinational corporations seemed to have an advantage over those of a smaller scale and scope. The pressures of stakeholders and firms' response to these pressures was more evident in larger, more internationalised firms.

This conclusion supports and empirically justifies the choice of the stakeholder approach in the context of this thesis in looking at the corporate social responsiveness of Jordanian multinationals to terrorism. Further, through the historical view of CSR as an evolving concept and by analysing the different theoretical frameworks associated with studying CSR, there is evidence that the stakeholder approach holds a significant value in this research context and is worth further exploration than other alternative frameworks.

## **2.6. Synthesis and a critical overview of the literature**

The findings of the previously presented literature review on the corporate social responsiveness of firms indicates that scholars from different strands of business, management and strategy have not reached an agreement on a unified theoretical framework to explain why and how would firms, especially multinationals, respond to social issues in the locations in which those firms operate. Several studies concluded that the sustainable development approach is most suitable in social responsiveness studies (Chow and Chen, 2011; Lozano, 2013; Tregidga, 2013; Weber et al, 2014; Joensuu et al, 2015). This might be the case given the contextual contributions of such studies, where those scholars focused on issues relating to the role of the firm in advocating sustainability and energy and environment-preservation. The importance these studies hold cannot be ignored. However, it is apparent from the empirical research on social responsiveness utilising the sustainable development theoretical framework that the role of the firm in resolving social dilemmas and problems has been neglected.

Nonetheless, scholars utilising the institutional theory in studying corporate social responsiveness have focused on issues of legitimacy, the political role of the firm, and the firm as a political actor (Beddewela and Fairbrass, 2016; Rathert, 2016; Shirodkar et al, 2018). While these perspectives are applicable in contexts where powerful firms/multinationals operate in countries with weak institutions, there is hardly any empirical evidence that suggests such approach would appertain under circumstances in which firms operate in the presence of strong home or host country institutions. This is particularly an important aspect given the research context in this thesis. As will be highlighted in the following chapter, the setting of Jordan and

the political nature of the country does not allow for examining the role of the firm as a political actor, but rather as a social actor that is influenced by strong institutions such as the government of Jordan. Issues of legitimacy and political presence in countries like Jordan are nothing but exclusive to the ruling authorities. Therefore, this study sets out to examine the premise of the likelihood of Jordanian multinationals to implement response strategies to terrorism by testing the suitability of the stakeholder approach in this novice and unique context. This approach is supported by several arguments developed from the review of the previously presented literature analysis suggesting that the stakeholder theoretical framework might be a suitable tool to enhance the understanding of corporate social responsiveness.

First, the stakeholder approach offers a degree of flexibility allowing to narrow the two sets of parameters (primary stakeholders and secondary stakeholders) down into several distinct actors. This in particular helps in understanding the nature of pressure and influence such stakeholders have on firms' strategies and practices (see Sections 3.5.2 and 3.5.3). Second, while the findings of Jamali (2008) stating that firms in Middle Eastern countries such as Lebanon and Syria prioritise the influences of stakeholders based on the impact on their profit maximisation, such empirical findings do not reflect the current situation and cannot be generalised given the distinctive features each Middle Eastern country has. Hence, applying the stakeholder approach to Jordan's multinationals with a fresh perspective on their social responsiveness role towards the growing dilemma of terrorism might provide paradigm-shifting results that change how stakeholders' pressures and influences are viewed.

Finally, building on the flexibility offered by the stakeholder approach, the previous literature analysis provided insights onto how this approach envelopes attributes from both theoretical frameworks, the sustainable development approach, and the institutional theory. This particularly embraces the culminating nature of the stakeholder theory, as well as establishes a greater need to examine the implications of the influences the different types of stakeholders might have on multinationals' practices in countries like Jordan and the context of terrorism.

## **2.7. Summary of the chapter**

While this thesis investigates the corporate social responsiveness of Jordanian multinational corporations to the growing global social dilemma of terrorism, the application of the stakeholder approach is worth further exploration within this context for a number of reasons. Firstly, the stakeholder approach allows for investigating every type (e.g. primary, secondary) and subtype (e.g. consumers, governments, investors, media, etc.) of stakeholders, which clarifies the differences in the pressures and the mechanism by which corporations prioritise their stakeholders. Secondly, there is clear empirical evidence of the applicability of the stakeholder approach in CSR and corporate social responsiveness research (Oetzel and Getz, 2012; Park et al., 2014; Park and Ghauri, 2015). This applicability is transferrable through the framework and the choice of methods.

Furthermore, the historical view of CSR and the associated theoretical frameworks conducted in this literature review assisted in uncovering the dominant strands and trends in studying the concept. While most empirical research focused on CSR



practices and activities, the focus of this thesis led to linking Jordanian multinationals' response strategies with corporate social responsiveness as an aspect of CSR. Moreover, the need to incorporate a suitable theoretical framework guided the literature review process by analysing three of the most dominant frameworks, namely the sustainable development approach, the institutional theory and the stakeholder approach. All three frameworks offered a variety of aspects and methods to study CSR and corporate social responsiveness. However, as evident in the empirical studies analysed and given the context of this thesis, the stakeholder approach carries more relevance and is worth further exploration.

In the following chapter, the research context of this thesis will be presented. This will entail a brief introduction to the definitions of terrorism and the definition of the unit of analysis in this thesis, the multinational corporation. Furthermore, while emphasising the development of corporate social responsibility as part of the multinational firm strategy, this chapter will explore the impact of terrorism on these firms. Correspondingly, as the study will be conducted using a sample of Jordanian multinational corporations, the following chapter will explore and identify the counter-terrorism strategies and efforts implemented by the government of Jordan. This will also include a brief on how the Jordanian government encourages the private sector to contribute to reducing or eliminating the impact of terrorism.

Additionally, in the following chapter, the conceptual framework of this thesis will be discussed. This will include a discussion of the variety of response strategies to counter terrorism and enhance security, the types of stakeholders, the level of exposure to terrorism and firm-specific characteristics.

## **Chapter 3: Response Strategies to Counter-Terrorism: Context and Conceptual Background**

### **3.1. Introduction**

In this chapter, a brief discussion of the context of this study will be presented. This discussion will include definitions of key terms such as terrorism and the unit of analysis in this thesis; the multinational corporation. Additionally, as an expansion on the previous literature analysis, a discussion of the perception of corporate social responsibility in multinational corporations will be included. Moreover, this chapter will also present a brief of how multinationals are affected by terrorist incidents.

While the multinational corporation is the unit of analysis in this thesis, it is essential to explore the counter-terrorism efforts and strategies in the Hashemite Kingdom of Jordan for it is in this setting that the fieldwork regarding data collection in this thesis will take place. In this regard, this chapter will build on the issues discussed in the literature review chapter and guide the process of building the conceptual framework and choosing the methodology for this study as will be discussed in Chapter 4.

Additionally, this chapter will discuss and present the set of factors contributing to establishing the conceptual framework by which this thesis is guided. To reiterate, this thesis aims to examine and analyse the corporate social responsiveness of Jordanian multinationals in enhancing security and countering terrorism. Moreover, this thesis also examines the link between the pressures imposed by the various types of stakeholders on Jordanian multinationals, and the likelihood of those multinationals to implement security enhancing response strategies that could eventually prevent or reduce the impact of terrorism. Similarly, the factors

associated with firms' level of exposure to terrorism, as well as their firm-specific characteristics are also included in the framework.

Therefore, the factors discussed in this chapter are the types of stakeholders, namely primary stakeholders and secondary stakeholders. Additionally, firm-specific level of exposure to terrorism will also be discussed. This is portrayed by the level of concern firms have towards terrorism, their own experience as either targets or victims of collateral damage, as well as whether they conduct foreign activity in a known terrorism-prone location. Likewise, firm-specific characteristics such as the size and the age of the firm will be discussed in relation to response strategies to counter terrorism and enhance security. In this regard, the types of response strategies included in this study are direct, indirect, unilateral and collaborative. Based on the discussion of the various interlinked factors, this chapter presents the proposed hypotheses which demonstrate the proposed relationships between those factors.

### **3.2. Defining terrorism**

To begin with, the importance of defining terrorism does not only serve the objective of having a common understanding of what the concept entails, it is also unequivocal to the process of countering and limiting the phenomenon (Ganor, 2002). In this regard, Young (2006) argued that there exists no universally or widely agreed upon definition of terrorism. This argument is corroborated by a number of authors in the field (Saleem and Tahir, 2014; Schwenkenbecher, 2012; Zeidan, 2005; Best et al., 2004; Weinberg et al., 2004; Maskaliunaite, 2002).

Correspondingly, the attempts to refine the issues related to terrorism to establish a common definition that captures the ideological, political or the psychological aspects of terrorism are not the product of today's research. In this respect, one of the first attempts to define terrorism resulted in a clear comprehensive definition based on observations and discussions with a large number of academics Schmid et al. (1984) wrote that:

*“Terrorism is an anxiety-inspiring method of repeated violent action, employed by (semi-) clandestine individual, group, or state actors, for idiosyncratic, criminal, or political reasons, whereby- in contrast to assassination- the direct targets of violence are not the main targets. The immediate human victims of violence are generally chosen randomly (targets of opportunity) or selectively (representative or symbolic targets) from a target population, and serve as message generators. Threat- and violence- based communication processes between terrorist (organisation), (imperilled) victims, and main target (audiences), turning it into a target of terror, a target of demands, or a target of attention, depending on whether intimidation, coercion, or propaganda is primarily sought” (as cited in Weinberg et al., 2004, p.780).*

While Schmid et al's (1984) definition incorporates several important aspects in understanding the notion of terrorism, Ganor (2002) and Best et al. (2004) argued that it is somehow impossible to view such definitions objectively. Consequently, Best et al. (2004) raised several questions as to how subjective perceptions of the act, the perpetrator and/or the victim can distort the general public's understanding of terrorism. Correspondingly, Ganor (2002) argued that even the attempts to categorise terrorism into 'bad and worse', 'domestic and international' or 'tolerable and intolerable' can only nurture the misunderstanding around what is considered a terrorist activity.

According to Rabie (2016), the arguments and disputes over the constituents of terrorism and its varied definitions were not the product of today. Rabie (2016)

stated that while the General Assembly of the United Nations held in 1972 included in its agenda the issue of terrorism and the subject of defining international terrorism, the assembly failed to establish a common, agreed-upon definition. As a result, each country was commissioned to establish their own definition in-line with the understanding these countries have had, along with the historical association with either being a producer of terrorist organisations, or a victim of terrorist incident.

Correspondingly, definitions of the notion of terrorism mostly discussed a number of elements that looked at the main attributes of what constitutes an act of terror. In this regard, the elements could be summarised six categories. First, acts of terrorism are acts of armed action. This means that an armed action is taken against a form of authority or governance to either weaken this authority, or to dissuade the public for continuing the support. Second, in armed actions taken against authorities, victims are not usually specified, meaning that while victims can be randomly affected by terrorism, the main aim of such acts are not those victims, rather than the authority under which those victims live. Third, acts of terrorism are not random, and incorporate a fair deal of organisation. In this regard, it is important to highlight that acts of terrorism are usually well-constructed, orderly and are continuous until the main goal (whether political, ideological, etc.) is achieved.

Furthermore, the fourth element to consider when defining terrorism is the intentional fear implanting activities are also considered part of terrorism activity. This means that acts that do not come to life, or are not implemented, are still regarded as terrorism due to the potential damage these acts would have incurred. Fifth, an understanding that terrorism is subject to laws domestic to the countries in

which the terror act takes place is essential. Whether terror acts are perpetrated by domestic individuals/organisations, or by individuals/organisations that are foreign to the location, the criminal jurisdiction of the location of the incident applies, giving those countries full and absolute authority over the application of security measures, as well as the implementation of emergency laws. The final element to consider when defining terrorism is the articulation of the limitations such atrocious acts have. In this regard, Rabie (2016) clarified that terrorism, regardless of the large size of its devastating impact, is still considered one of the weakest types of armed political violence. To elaborate, while terrorism involves a high degree of planning and organisation, it is yet considered simpler than any other type of armed political violence such as militarised coups, civil wars, and internal/international conflict.

In a more recent study, Bayar and Gavriletea (2018) stated that there exists at least 212 definitions of terrorism, 90 of which are used by various institutions and governments worldwide, and sometimes different definitions are used within the same government under different institutions, such as the Central Intelligence Agency (CIA) and the Federal Bureau of Investigation (FBI) in the US. While the CIA considers terrorism as “premeditated, politically motivated violence perpetrated against non-combatant targets by subnational groups or clandestine agents”, (Bayar and Gavriletea, 2018, p. 2376), the FBI defines terrorism as the “unlawful use of force or violence against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political or social objectives”, (*Ibid*).

These working definitions and understandings stem from the earlier attempts by Schmid et al (1984), and Schmid and Jongman (1988), where they analysed the 22 frequently used elements in defining terrorism. Consequently, a study by Bruce (2013) highlighted that there are four integral components in defining terrorism, that the definition would not be acceptable without which. These components build on the combination of, and the integration of violence, politics, sociology and psychology.

However, to combat this misunderstanding and how it might hinder the process of countering terrorism, Sinai (2008) suggested that in order to establish contemporary and emerging trends in countering terrorism, the analytical, policy and operation communities involved in this warfare must adhere to national and international law definitions of the phenomenon. This is corroborated by Walter (2004), in which there is a strong suggestion that definitions of terrorism instated by multilateral organisations such as the United Nations (UN), offer a superior operational understanding that support international and national efforts to limit and reduce the impact of terrorism.

In light of this, the definition that is used throughout this thesis is the UNICSFT's definition of terrorism stated in Chapter 1, Section 1.2. This definition is considered appropriate for this study as the databases used throughout this thesis, such as the GTD and the GTI, have operationalised this definition in their data collection practices to record terrorist incidents on a global level.

### **3.3. The multinational corporation**

#### **3.3.1. A definition**

As described in Chapters 1 and 2, the multinational corporation (MNC) will be the unit of analysis in this thesis. This is due to the fact that MNCs are not bound by borders and usually their control and operations are extended beyond national boundaries (Bouquet and Birkinshaw, 2008). Additionally, there is a growing body of literature that considers the use of MNCs as a research context. In this regard, Roth and Kostova (2003) stated that MNCs are being studied for the purposes of validating or expanding existing theories and/or developing new theories of the multinational corporation. As previously mentioned, this thesis aims to examine the relationship that factors such as the stakeholder pressure, firms' exposure to terrorism and firm-specific characteristics have with the likelihood to implement response strategies to counter terrorism and enhance security. Therefore, the purpose of using the MNC as a research context is linked to the validation and expansion of existing theory.

However, in order to clarify the characteristics associated with what is referred to as a multinational corporation, it is essential to provide a clear definition of MNCs.

According to Bergman (1973), multinationals can be defined as:

*“Corporations having substantial and equity investment, as well as marketing and sales operations, in a number of countries. These corporations represent a new force in world affairs, one which has its own logic and dynamism: optimum efficiency in bringing together raw materials, energy, capital, and technology, each of which may be concentrated in a different part of the planet, to serve world markets” (Bergman, 1973, p. 255).*



While this definition captures different aspects to what constitutes a multinational, some argue that MNCs are interorganisational networks that are embedded within the external network of other organisations, different stakeholders and multiple institutions (Ghoshal and Bartlett, 1990). However, there is an agreement that MNCs are diverse and geographically-dispersed units that are represented by their subsidiaries, partnerships, joint ventures or even by exporting their products (Papandreou, 1973; Michel and Shaked, 1986; Luo and Shenkar, 2006). Additionally, MNCs were the centre of research studies focusing on the organisational structure that firms as such operate. While owning and operating multiple entities calls for decentralisation, accumulated reporting under one integrated headquarter calls for centralisation (Hymer, 1982).

Nonetheless, few studies have evaluated the role of the multinational in countering terrorism. Therefore, as mentioned earlier, including the multinational corporation as the unit of analysis within this research context will add value to the process of expanding existing literature on corporate social responsibility, the stakeholder theory and the literature discussing counter-terrorism strategies.

### **3.3.2. Corporate social responsibility in multinational corporations**

The importance of corporate social responsibility for multinational corporations lies in the development of how MNCs are viewed in today's economy. The widespread and large scale and scope that MNCs cover globally have exposed these firms to a plethora of regulatory requirements in their home, as well as their host countries (Picciotto, 2003). Although as discussed earlier in Chapter 2, the vast majority of CSR activities and practices, whether classed as total social responsibilities (Carroll, 1979) or as aspects of social responsiveness (Sethi, 1975), entertain a degree of

voluntarism. However, when MNCs adhere to their legal responsibilities and stakeholders' demands, regulations might differ in every setting in which those firms operate, and a complex strategic planning dilemma will ensue, (Huemer, 2010).

Furthermore, according to Bennett (2002), the growing link between the public and private sectors in facing adversities such as terrorism and violent conflict encourages businesses, and MNCs in particular, to become more public-minded. This is achieved through acts of promoting economic inclusiveness and justice, as well as reinstating community goodwill. Consequently, while MNCs ensure that such practices are communicated through their home and host countries, global stability can eventually be attained. However, as there are no explicit theories that distinguish between local and international CSR, MNCs are able to either mirror or adapt their strategies based on the location in which they contribute (Husted and Allen, 2006).

In this regard, previous research found that corporate social responsibility in MNCs is relatively bound by the demands these firms face from their local, international, primary and/or secondary stakeholders (Park and Ghauri, 2015; Park et al., 2014; Oetzel and Getz, 2012). Although these findings highlighted the role of stakeholders in MNCs CSR, it did not deny the major contributions regarding environmental and social issues MNCs achieved globally (Snider et al., 2003).

### **3.3.3. Terrorism impact on multinational corporations**

According to Shengelia (2015), the increasing threat of terrorism in recent years has limited the dynamic development of the global market, destabilised the economic and political environments, and hindered the development of international trade

relations, as well as the inflow of foreign investments in victim countries. In this respect, an analysis by Powers and Choi (2012) showed that the increasing level of international terrorism has harmed multinational corporations and decreased the level of foreign direct investment. Furthermore, major terrorist attacks such as the 9/11 incident in the US had severe, devastating and immediate effects on the flow of business and the supply chain of multinational corporations (Czinkota et al, 2010). In this regard, Sheffi (2001) stated that major US manufacturers experienced disruptions to the flow of materials they use in their production plants within days after the incident.

On a global level, almost 13% of terrorist attacks since 1970 targeted businesses (GTD, 2016). However, not all business sectors or industries suffer the impact of terrorism. A study by Larobina and Pate (2009) indicated that sectors such as the equity market, aviation, tourism, insurance and corporate security suffered devastating consequences to the flow of business resulting from terrorism activity. While it is evident that terrorism has a detrimental impact on businesses in general, MNCs are considered suitable as a unit of analysis in this thesis for their apparent ability to adjust internal factors to overcome extreme shocks to the business environment. MNCs are able to carry out adjustments in their resources and capabilities, their strategies, their structure and their choice of business locations (Li et al., 2005).

### **3.4. Counter-terrorism efforts and strategies in Jordan**

#### **3.4.1. Introduction**

The previous sections in this chapter provided justifications for the choice of MNCs as a contextual factor to examine the likelihood of response terrorism. Correspondingly, this section explores the characteristics of the setting of Jordan, in which the fieldwork and data collection for this thesis will take place. Additionally, it is noteworthy to explore Jordan's efforts in countering terrorism to provide a clear overview on policies, strategies and procedures that the government of Jordan has undertaken in facing the dilemma of terrorism on their land and in the surrounding area of the Middle East.

Located in the heart of the Middle East, an area known for its heated and unstable political nature, the Hashemite Kingdom of Jordan always strived to pursue a unique socio-economic development. In this regard, the World Bank report on Jordan (WB, 2018) stated that the country has implemented, and is in the process of implementing several structural reforms in its education system, healthcare, privatisation and liberalisation. These implemented and planned reforms were a result of the regional adversity that surrounding countries such as Syria and Iraq have witnessed in the past 15 years. Jordan was a target for the refugee influx from both Iraq from 2003 and Syria from 2011 due to changes in the geopolitics of these countries and therefore, faced challenges of high unemployment, scarcity of natural resources and the reflection of conflict and terrorism onto the Jordanian land. However, prior to 2010, Jordan's experience with terrorism since 1970 did not exceed 80 incidents in total (GTD, 2016). In this regard, Worman and Gray (2012)

stated that the terrorism which Jordan faced since 1970 is closely tied to terror campaigns that were strictly associated with political changes in the area. Worman and Gray (2012) suggested that terrorism in Jordan is linked to events such as the civil war in Jordan in 1970, Israel's war with Lebanon in the 1980s, the Gulf war in 1990, Jordan and Israel's peace treaty in 1994 and the release of Al-Zarqawi –one of Al Qai'da's most influential leaders- in 1999. Additionally, according to Lang et al. (2017), Milton- Edwards (2017) and Yom and Sammour (2017), in recent years, the terrorism threat on Jordan escalated due to factors such as the civil war in Syria and the insurgency/resurgence of terrorist organisations like ISIS and Al-Qai'da in Syria and the area. While having encountered 80 incidents in the span of 40 years is considered a minimal number in comparison to Middle Eastern and North African nations such as Syria, Iraq and Egypt, this comes as no surprise given the efforts the Jordanian government spent throughout the years to counter terrorism and enhance its national security. Following is an overview of Jordan's history in countering terrorism, and the factors contributing to Jordan's perceived safety as a nation located in the heart of a heated map.

### **3.4.2. Jordan and terrorism: An overview**

Abu Musab al-Zarqawi, Abu Mohammad al Magdisi, and Abu Qatada al-Filistini are the names of some of the most notorious violent extremists, ideologues and theorists that were leaders in terrorist organisations that shook the world with their violence, (El Said and Harrigan, 2013). While those men were from Jordan, and planned, or even perpetrated a number of devastating terrorist attacks in the Middle East and around the world, the question remains as to how Jordan remained a

peaceful state and avoided the collapse into the hands of such violent personnel and organisations. In this section, the history of the efforts Jordan spent in the fight against extremism and terrorism will be presented. The section will provide an overview starting with the early days of the Kingdom post-independence in 1946 and ending with the efforts and counter-terrorism strategies Jordan implement at the present day.

#### **3.4.2.1. Arab nationalism and the Muslim Brotherhood (1946-60s)**

According to Rogan and Tell (1994), Jordan was initially a part of the Ottoman Empire prior to its collapse after WWI (1914-1918). Following the Ottoman's defeat in the war, Jordan was established as an Emirate governed by Prince Abdullah under the British mandate. During these times, and until the country gained its full independence in 1946, Jordan embraced stability and economic affluence due to the fact that the country welcomed trade and merchants from surrounding states such as Palestine, Syrian, Lebanon and Saudi Arabia. While living under the British mandate might suggest that Jordan was ruled by British authorities, Gubster (1973) stated otherwise. Similar to the governing lifestyle Jordan enjoyed under the Ottoman Empire, the British colonial authorities ruled through local figures and leaders in an attempt to vitalise Jordanians' life and culture via protecting their identity without imposing British cultural influences on the vast majority of inhabitants and local governing authorities.

Additionally, Gubster (1973) also stated that Jordan's ruling manifesto embraced an apolitical version of Islam allowing faith to be separate from politics. This stemmed from the approach the Ottomans followed throughout their era of ruling of the Middle East and South Europe. Moreover, Abu Odeh (1999) emphasised that while British

soldiers were on Jordanian land for the period between 1918 and until Jordan's independence in 1946, religious sentiments were never provoked, which contributed positively to keeping sentiments of nationalism and religious radicalisation to the minimum. This was the result of the respect the British authorities had towards traditions, culture, Islam as the dominant religion of locals and Jordanian institutions.

However, challenges began to face Jordan after their independence in 1946. Challenges such as the 1948 war that displaced Palestinians who sought refuge in Jordan, as well as the emergence of the secular national socialism led by President Nasser in Egypt in the early 1950s. In this regard, Oren (1990) described the insurgence of a Pan-Arab nationalist views as the beginning of Jordan's experience with politically led violence. Richards and Waterbury (1996) corroborated by stating that Jordan faced a series of demonstrations, riots and attacks on local institutions that opposed the ruling regime of Jordan. Such attacks also included commissioned assassinations of state officials, all led by pro-nationalists with Nasserist ideologies. While radicalisation was thought to be the by-product of the Jordanian ruling regime's refusal to cooperate and be aligned with Nasser's, Rogan and tell (1994) suggested that it was merely the close relationship between Jordanian monarchs and the British government that sparked and generated such radical movements.

To gain the support and popularity of its people, Jordan's regime took extreme measures in light of the previously mentioned adversities. Emergency measures and marshal law were introduced, the parliament was suspended, and all political parties were banned to implement a crucial reform. One of the measures the regime took was allowing the Muslim Brotherhood Movement, one that was established in

Jordan in 1945, to take part in politics and to be renowned as a political party. Gharaibeh (1997) stated that such measure helped in countering the impact of anti-regime advocates whom ideology emerged from the Pan-Arab nationalist agenda. The reasons behind which are associated with the idea that secular, socialist/nationalist regimes such as Nasser's dismissed the teachings of Islam, and therefore giving power to a political party such as the Muslim Brotherhood in Jordan would counter the effect of the former, (Kazem, 1997).

Furthermore, the early 1960s witnessed Jordan's experience with the insurgence of another politically-motivated, yet violent, organisation. The Palestinian Liberation Organisation (PLO), which was pro-Nasserist, advocated for overthrowing the existing Jordanian regime by issuing a series of violent attacks and the launch of guerrilla warfare in the streets of Jordan's capital, Amman. While the Muslim Brotherhood opposed the actions undertaken by the PLO, it lost some recruits to the newly formed organisation, (Dallas, 1999). However, the savagery described in the attacks perpetrated by the PLO, such as planting explosives, assassinations, high jacking and bombing civilian aircrafts, all led to the dislike of such organisation and the loss of support even by those who identify as Palestinians residing in Jordan. Such dislike led to the expulsion of this organisation from Jordan in 1970 and ending the violence by what is now referred to as the events of 'Black September'. This not only strengthened the ruling regime's support, it also restored faith in the ability of the regime and the government to expel danger and protect its civilians.



#### **3.4.2.2. Internal conflict and radicalisation (1970s-80s)**

Following the politically-motivated violence perpetrated by the PLO on Jordanian lands, the state of Jordan decided to retaliate rather than reconcile. An approach new to this country, Brand (1994) stated that Jordan's regime implemented the process of Jordanisation to its public sector and the army. This process of Jordanisation involved dismissing Jordanians of Palestinian origins from job positions in the public sector, security forces and the army. In that regard, Abu Odeh (1999) stated that distrust, suspicion and disloyalty were the overwhelming feelings amongst residents of Jordan towards those of Palestinian origins. In fact, Palestinians were completely purged from the public sector, and were confined to contributing to, and working in the private sector only.

While the process of Jordanisation was expected to plague the Jordanian economy, a rise in the GDP was witnessed between 1972 and 1982. However, Lubeck (1996) stated that such prolonged process filled Jordan's public sector with corruption and nepotism. This was seen as a result of the bloated and inflexible bureaucracy, a widespread inefficiency and public sector infested with patronage. In this regard, according to El Said and Harrigan (2013), the economic growth that Jordan enjoyed did not last long. Foreign borrowings increased without an enhancement to the economy due to the economic mismanagement and the system's well-embedded corruption. Such factors paved the way for radicalising dissatisfied residents into extreme thought, behaviour and eventually terrorism.

### **3.4.2.3. Salafism, Jihad and fundamentalism (1990s-present)**

The circumstances mentioned in the previous sections gave political actors such as the Muslim Brotherhood Movement a stronger, and a more popular presence in Jordanian politics and society. Following a parliamentary draught that covered the better years of the 1970s and 1980s, elections were back in place. According to Harrigan and El-Said (2009a), the huge involvement of the Muslim Brotherhood in developing the society led to electing a number of party individuals as parliament representative, a change unprecedented in Jordanian politics. While the Muslim Brotherhood represented moderate Islam, its monopoly of the political scene encouraged groups with more radical Islamist ideology to pursue similar political presence. El-Said and Harrigan (2013) record the rise of five Islamic currents seeking political activism such as the Islamic Action Front, independent Islamists, the Muslim Centre Party and Jihadi Salafists, along with the most prominent and well-established the Muslim Brotherhood Movement.

While this change to Jordanian politics was welcomed by the people of Jordan for what they have experienced in terms of social support by parties such as the Muslim Brotherhood, the opposition such parties held against the regime sparked a tension ideologically similar to that of the early 1970s the regime had with the PLO. This tension, according to Milton-Edwards (1996) was based on the party's opposition to existing relationships with the state of Israel, as well as the US foreign policy and involvement in the Middle East and Jordan. Such opposition allowed radical islamists with violent extremism views to take a stance, a proposition confirmed later by El-Said and Barret (2017) that foreign policy can be an issue that motivates individuals to join terrorist organisations.

Along with such contributing factors, the returning of Jordanian jihadists who fought in the Afghani war in the early 1990s to Jordan was seen as a threat to the country and the regime subsequently. With no understanding on how to deradicalise these individuals nor integrating them in the society, their presence in Jordan posed a threat that was later actualised by those individuals re-joining organisations such as Taliban and Al-Qai'da. Such ideological presence in the Jordanian society also led to a large number of individuals, mostly from the youth category, to join the recently emerged terrorist organisation, ISIS.

#### **3.4.2.4. Jordan's response to terrorism**

As mentioned in previous sections, Jordan's problem with terrorism had a very small effect onto the country on an internal level. The Majority of the groups or individuals that carried such ideology joined organisations and perpetrated acts outside the borders of Jordan. However, with increasing attachment to US foreign policy and the strong relationship with the west it was inevitable that Jordan fell victim of devastating terrorist attacks.

According to Fattah (2005), three popular hotels were bombed by terrorist suicide attacks simultaneously on the 9<sup>th</sup> of November 2005. These attacks which left over 60 civilians dead, and more than a 100 wounded, were perpetrated by Al-Qai'da, and fully planned by Abu Musab al-Zarqawi. These three attacks places Jordan, and its capital Amman under a severe security lockdown, an emergency state not witnessed since the early 1970s. Immediate action was taken by the government

and the regime by revising the counter-terrorism policy and strategies, deputising the people of Jordan, the private and the non-military private sector. Security checks at the entrance of every hotel, shopping centre, school, or even the local grocer became part of Jordanians' everyday life. That sense of the need to apply metal detection to every moving individual became normalised to the point the people of Jordan did not feel safe without.

Additionally, and as a long-term plan, the Jordanian government reinstated their traditional and conventional counter-terrorism strategy by strengthening their physical and legal security infrastructure (Yom and Sammour, 2017). Additionally, the government of Jordan strengthened its influence over the religious discourse that is being communicated throughout the mosque sermons across the country. The reason for this is to counter the extremism and radicalisation of the deluded youth who are the largest demographic for terrorist organisations looking to recruit. According to CEP (2016), between 2000 and 4000 Jordanian youth travelled to Syria and Iraq to join the forces of ISIS and Al-Qai'da from the beginning of 2011 until the end of 2015. This made Jordan one of the biggest contributors of foreign fighters per capita. In this regard, along with counter terrorism strategies such as arresting suspects and sympathisers, high-security imprisonment and commitment to deradicalisation programmes, the Jordanian government spared no effort in introducing swift strategies that involve creating networks to persuade young people to respect diversity, reject violence, and appreciate coexistence (CEP, 2016).

While Jordan is a pioneer nation in creating public-private partnerships in enhancing the overall infrastructure of the country, countering terrorism remains a state-

specific task (Yom and Sammour, 2017). Despite several private and non-government initiatives, the government of Jordan still contributes the majority of the effort. However, this thesis will investigate this unexamined and perhaps novice premise of the private sector's likelihood to contribute to the fight against terrorism in Jordan.

In the following sections, the conceptual framework of this thesis will be discussed. This will include a discussion of the variety of response strategies to counter terrorism and enhance security, the types of stakeholders, the level of exposure to terrorism and firm-specific characteristics. Exploring these factors will result in a number of proposed relationships portrayed by a number of hypotheses, through which the research aim, objectives and questions will be fulfilled.

### **3.5. Foundations of the conceptual framework**

#### **3.5.1. Response strategies**

According to Getz and Oetzel (2009) violent conflict can lead firms and multinationals to avoid entry or conclude their existing operations in certain markets.

They defined violent conflict as:

*“the organized and sustained use of physical force that results in injury or death to persons or damage or destruction to property. It includes war, revolution, rebellion, insurgency, and sustained campaigns of violence or terrorism. It does not include episodic and less organized forms of violence, such as crime” (Getz and Oetzel, 2009, p. 376).*

Further, the increasing number of violent conflicts taking place around the globe including terrorism, made it inevitable for businesses to be affected either directly or indirectly (Fearon, 2004). However, there are some reasons why firms and multinationals would choose to continue operating in terrorism prone zones while implementing a variety of response strategies that assist in resolving this problem. Firstly, these terrorist events occur suddenly with no prior notice to targets and have been increasingly common in the past two decades. Secondly, some governments do not have the resources and capabilities to eliminate or reduce the impact of these events, whereas some firms and multinationals can contribute to the resolution of this problem by exploiting their internal resources and capabilities (Hironaka, 2005). Lastly, multilateral organisations or intergovernmental organisations might be reluctant to intervene given the sensitivity of those events, as they avoid violating sovereignty aspects (Getz and Oetzel, 2009).

Nevertheless, while firms and multinationals might strategically respond to terrorist events for the aforementioned reasons, this research proposes that this strategic response, in addition to firms' exposure to terrorism and their own specific characteristics, is guided by the pressures imposed on firms by their primary and secondary stakeholders. This thesis will examine whether these stakeholder pressures and the aforementioned factors motivate firms to take action, and to assist in resolving the issue by eliminating or reducing the impact of terrorism and enhancing the overall national security. Following is a discussion of the types of response strategies.

### **3.5.1.1. Direct response strategies**

Generally, some firms decide to continue their operations in one particular market or a number of markets that are located in countries or zones that are politically unstable despite the high possibility to be affected by terrorist attacks. The reasons to do so are related to gaining competitive advantage, a higher market share and an enhanced overall performance (Branzei and Abdelnour, 2010). However, survival in such situations of violence and terrorism requires taking major steps to reserve these investments by enhancing the internal security of firms and their subsidiaries abroad. Further, firms and multinationals may decide to undertake a direct approach to face such adversaries. Boddewyn and Brewer (1994) and Hillman and Hitt (1999) suggested that firms might practice their political role by lobbying governments in home and host countries to take action against terrorist events. Actions lobbied could either be preventative/proactive or reactive.

In addition, firms might respond directly by speaking publicly against terrorism. This could be facilitated through awareness campaigns through the local and global media outlets or shared across think tanks and major interest groups within a particular setting (Diamond and McDonald, 1996; Lieberfeld, 2002). This in fact can have more influence, especially if governments are not able to take action due to lack of resources. These campaigns will have more exposure to those who can facilitate the positive change. For example, the Kuwaiti telecom multinational, Zain, shared its campaign against violent extremism, which leads to terrorism, in the Middle East in 2017. They shared an awareness advert that was broadcast throughout the largest networks in almost every country in the Middle East and North

Africa (Shaheen, 2017). Whether this advert has had a positive or negative impact on the level of terrorism in such countries cannot be measured easily; it shows how firms and multinationals can directly respond to violent conflict and terrorism.

Another form of direct response strategies to terrorism could be the direct engagement of firms with perpetrators. This could be done through organising negotiations or by being a mediator between terrorist organisations and governments (Ballentine and Nitzschke, 2004; Oetzel et al., 2007). A successful example can be the negotiations that business associations in Columbia held with the guerrilla groups to end violence and conflict. Guerrilla groups in Columbia were responsible for a large number of terrorist attacks that targeted political public figures, in which thousands of civilians lost their lives. Killick et al. (2006) mentioned that since the beginning of 1998, business associations reached out to imprisoned leaders of guerrilla groups to establish contact and begin negotiations. Once successful, their meetings with the imprisoned leaders led to signing a good-will accord, whereby those groups vowed to help resolve the conflict and end violent activity.

#### **3.5.1.2. Indirect response strategies**

An alternative approach that firms and multinationals might choose to adopt with regards to terrorism is that of an indirect approach. According to Oetzel and Getz (2012), firms might design and implement indirect response strategies that involve mitigation of the root causes of terrorism. These are directly linked to issues of poverty, inequality and social injustices (Jain and Grosse, 2009). Once involved in



the mitigation of the aforementioned root causes, firms and multinationals are able to reduce the impact of adversaries such as terrorism and violent extremism.

Indirect response strategies can be in the shape of revised human resource policies, ones that are directly aimed at minimizing social injustice and tensions (Oetzel and Getz, 2012). Moreover, firms and multinationals that have access to resources and capital can help in the development of local small businesses in the countries in which they operate. This can be through financing those small businesses and by training their employees and directors. Further, firms and multinationals can also verify their own supply chain by conducting an efficient due diligence to avoid being part of the problem (Bennett, 2002). Additionally, according to Dunfee and Fort (2003), firms and multinationals can use industry codes of conduct that are particularly aimed at countering terrorism. For example, in the United Kingdom, the Home Office and the Office of Security and Counter Terrorism appointed a director of security and industry engagement in 2013. The holder of this role is responsible for enforcing industry codes of conduct in relation to counter terrorism and counter violent extremism by regulating the terms of engagement between industries and the public sector (Rosemont, 2014).

Other indirect response strategies can also include the process of withholding payments or terminating the economic transaction and conduct with those suspected of financing or promoting terrorism (Collier and Hoeffler, 2007). Furthermore, the engagement of firms and multinationals in philanthropic events and practices that are aimed at assisting the victims of terrorism, and their families to overcome the adverse outcomes of such events is considered an important

aspect of firms' indirect response to terrorism (Luo, 2006; Van Tulder and Kolk, 2001).

#### **3.5.1.3. Unilateral response strategies**

Responding strategically to terrorism can also be conducted unilaterally. Firms might choose to act alone without forming any inter-organisational partnerships. This approach can be undertaken by developing the response strategy without the consultation of other organisations outside the firm, and by independently determining firm's response objectives (Oetzel and Getz, 2012).

Although collaboration can be less risky, especially if firms lack the experience or resources, working independently of other organisations is associated with less cost. According to Konczak (2001), the process of finding partners, developing relationships and assuring quality throughout the process of implementing response strategies is a costly encounter. Additionally, unilateral response can be immediate if firms and multinationals have the resources, skills and knowledge required, as working independently of other organisations in such adverse situations could save time that is important to resolve the cause, rather than having time and resources spent in the pursuit of establishing a strategic response partnership.

#### **3.5.1.4. Collaborative response strategies**

The final type of response strategies is the collaborative strategies. Firms or multinationals might make the decision to design and implement collaborative response strategies for a number of factors. Firstly, firms must determine whether

their new partners or collaborators are going to add value to the firm in terms of skills, knowledge or access (Oetzel and Getz, 2012). Secondly, this potential partnership or collaboration to resolve such a problem as terrorism and its negative impact on nations and societies, is dependent on the willingness and the availability of the sought potential partners. As partners can be governments, non-government organisations, inter-governmental organisations or other private businesses, the availability and willingness of those potential partners varies depending on the type of organisation (Smith and Feldman, 2003).

Moreover, firms with less experience in dealing with or operating under adverse situations, especially in terrorism-prone countries, tend to follow the collaborative approach. Collaboration, which entails sharing knowledge and skills across partners, enhances the chances in reducing or eliminating the impact of terrorism. Further, collaboration balances the responsibilities and duties, by which blame will be reduced in cases of failure to implement successful response strategies (Kaufman et al., 1993).

Owing to the fact that some of these collaborations and partnerships are held with stakeholders, such as governments and non-government organisations, these secondary stakeholders might impose pressure on firms and multinationals to join a collaborative effort towards responding to terrorism.

In light of this, these strategies constitute the main point of inquiry in this thesis. The four response strategies will be regarded as the dependent variables in this study, and the relationship between those dependent variables and the seven independent

factors of interest will be examined. In this regard, the following section will include a brief discussion of each independent factor, namely primary stakeholders, secondary stakeholders, level of concern, firms' own experience with terrorism, firms operating in terrorism-prone locations, firm size and firm age. This discussion will be accompanied by the proposed hypotheses regarding each of those independent factors.

### **3.5.2. Primary stakeholders**

According to Freeman (1984), stakeholders are "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). Those groups or individuals that are classed as primary stakeholders are those who have a direct relationship with the organisation, such as consumers, employees and shareholders or investors (Freeman, 2010). Following is a detailed discussion of the subtypes of primary stakeholders, which also provides the link to corporate social responsiveness, and analyses the importance of each subtype in regards to the pressures these subtypes can impose to change the course of Jordanian multinationals' overall strategies in general, and the counter terrorism response strategies in particular.

#### **3.5.2.1. Consumers**

According to Pedersen (2011), firms' corporate success or failure is largely determined by the sales of their products or services. While firms seek to maximise their sales to the wider audience, pleasing consumers becomes an unequivocal priority, as consumers can be the most critical stakeholders. Du et al. (2010) found

evidence that consumers are more likely to be associated or disassociated with firms depending on firms' execution of corporate social responsibility and corporate social responsiveness strategies, which also works as a differentiating factor in a competitive market. Moreover, consumer loyalty and advocacy behaviours are also associated with firms' implementation of such strategies (Mishra and Suar, 2010). Mishra and Suar (2010) also suggested that the opposite can take place. While loyalty and advocacy can be the results of firms' implementation of certain CSR and social responsiveness strategies and activities, failure to integrate such strategies can result in consumers' withdrawal and boycotting from the process of economic exchange.

In the long-term, consumers develop an awareness of the wide variety of CSR and social responsiveness strategies and activities, and their behavioural and ethical implications. This can be either positively or negatively associated with the relationship between consumers and firms. Lamberti and Lettieri (2009) suggest that while the trust level and loyalty is enhanced through the application of CSR activities, abstaining from doing so can be harmful to the relationship between firms and consumers. This issue has even a higher impact when firms operate in foreign and host countries. Kolk and Van Tulder (2010) found that multinationals are more vulnerable based on the differences in social structure and their internal or external resources. The situation where multinationals' profitability and growth in a new alien setting is dependent on advocating socially and ethically acceptable activities and strategies, makes consumers the most strategically critical stakeholders. They are critical because the social quality of the service or the product is more valuable to consumers than the technical quality. As suggested by Stanaland et al. (2011),

consumers' trust and loyalty are determined by the overall corporate reputation of firms, which in this context is dictated by firms' implementation of CSR and social responsiveness strategies and activities.

#### **3.5.2.2. Employees**

The second subtype of primary stakeholders, which is as equally important to each organisation as its customers, is the organisation's own employees. According to Freeman (1984), employees can be those working on an operational level, a managerial level or in a place to make decisions. Therefore, when firms' employees are discussed as a primary stakeholder, it is in reference to all levels of employment within any organisation at any given time. This also includes, but is not limited to, internal managers.

The corporate social responsiveness strategies that are implemented by organisations are demonstrated through their human resource practices towards their employees. These can be in the form of union relations policies, awards and compensation, encouragement of participation in decision making and enforcing basic human rights such as equality of opportunities, dismissal of child labour practices or the elimination of a gender pay gap. According to Mishra and Suar (2010), these practices result in a gradual enhancement in the overall performance of firms, whether financial or non-financial. This enhancement is attributed to the level of employee satisfaction, which in essence improves and increases the overall job commitment.

Additionally, Hartman et al. (2007), and Lindegreen et al. (2009) corroborate by stating that corporate social responsiveness strategies and practices enhance the reputation of firms and therefore deem those firms attractive to both current and future employees. This enhanced reputation leads to a well-established attachment between the firm and its employees. As Qu (2007) emphasised, this strongly formed bond will have a more positive impact for firms operating overseas. Qu (2007) stated that multinational organisations can attract a new workforce that is talented and committed in foreign markets or host countries, based on their implementation of corporate social responsiveness strategies and practices, especially those that tackle employment-related issues that are embedded within the established idea of human rights.

Moreover, employees, managers and decision makers are directly involved as key contributing elements to the process of designing firms' corporate social responsibility and responsiveness strategies. Lindgreen et al. (2009) and Yang and Rivers (2009) highlighted the importance of employees as key and primary stakeholders by emphasising their role in designing, implementing and evaluating those strategies. This particular support towards the CSR strategies and practices by internal managers and employees in general determines the longevity of the strategies, especially in facing such topical, yet ongoing phenomenon such as terrorism (Polonsky and Jevons, 2009). Additionally, having sustainable and long-term CSR strategies is essential for the multinational acceptance and survival in a foreign market. Godos-Diez et al. (2011) stated that social responsibility and responsiveness of any subsidiary is highly dependent on the process by which managers and employees design, implement and assess these strategies. This in

fact is of greater importance to multinationals due to the wide variety of possibilities and differences in the economic, social, and environmental factors they face in a foreign setting, especially when considering instability factors such as political unrest or a weak national security that is more prone to increased terrorist activity in such locations as Jordan and the Middle East.

### **3.5.2.3. Shareholders/Investors**

Another important primary stakeholder subtype is firms' shareholders or investors. Whether as groups or individuals, investors constitute a major key driver for firms' corporate social responsibility and responsiveness strategies and practices. According to Mishra and Suar (2010), shareholders, or potential investors normally show a higher propensity to acquire shares or stocks in firms that demonstrate their ability and willingness to satisfy socially responsible and responsive behaviour. Moreover, corporate social responsibility and responsiveness can be viewed as a differentiation factor of firms. It can increase the level of competition in a particular market or several markets, in which there are known potential investors (Scalet and Kelly, 2010). Additionally, O'Shaughnessy et al. (2007) argued that firms with steady and sustainable corporate social responsibility and responsiveness strategies are portrayed as less risky for investors that seek long-term performance goals.

However, seeing social responsibility and responsiveness as an attractive characteristic for investors is mostly associated with investors from developed countries or economies. This is associated with the findings of Jamali et al. (2009) that in countries such as Syria, Lebanon and Jordan, the acceptance and



encouragement of designing, implementing and evaluating social responsibility and responsiveness strategies is on the rise; however, it is still not as commonly shared as in developed economies such as the UK, Germany and the USA. In a study by Adam and Shavit (2008), investment in socially responsible firms is crucial to how the investors view the level of risk, the level of survival and the level of growth by the firms in which they invest. This shows the significance of shareholders or investors as primary stakeholders. For if the investment is based on how socially responsible and responsive the firm is, dismissal of these strategies and practices can lead to loss of interest by investors, or a decline in the credit that is utilised for performance or growth purposes including international expansion.

In the context of this research, investors as primary stakeholders are of high prominence. The strategic response to prevent or reduce the impact of terrorism by multinational corporations is both socially responsible and responsive. Additionally, firms are always in pursuit of investor satisfaction, which then leads to substantiating the firms' funds and credit, that allow these firms to contribute positively in a society that is prone to violent conflict or terrorism by implementing the set of response strategies, which will be discussed later in this chapter.

In this section, a discussion of the subtypes of primary stakeholders, namely firms' customers, employees and investors have been presented. Each subtype is equally important for firms to design, implement and evaluate their corporate social responsibility and responsiveness strategies, especially when associating the

pressures of these stakeholders towards the cause of enhancing the overall national security and preventing or reducing the impact of terrorism in an area as sensitive and prone to the negative impacts of terrorism as the Middle East. In this regard, the following hypotheses are proposed to examine the relationship between the primary stakeholders' pressures and firms' likelihood to implement the various types of response strategies.

**Hypothesis 1a:** Primary stakeholders are more likely to impose pressures on firms to directly respond to terrorism.

**Hypothesis 1b:** Primary stakeholders are more likely to impose pressures on firms to indirectly respond to terrorism.

**Hypothesis 1c:** Primary stakeholders are more likely to impose pressures on firms to unilaterally respond to terrorism.

**Hypothesis 1d:** Primary stakeholders are more likely to impose pressures on firms to collaboratively respond to terrorism.

The following section will consist of a discussion of the subtypes of secondary stakeholders and the factors contributing to their influence on firms' social responsibility and responsiveness.

### **3.5.3. Secondary stakeholders**

#### **3.5.3.1. Governments**

The rise of interest in the social behaviour of firms by home and host governments places substantial pressures on those firms to consider governments as key secondary stakeholders, (Mehic, et al., 2013; Manakkalathil and Rudolf, 1995). Governments are the key legislator and regulator in any country. They practice significant influence and encouragement for firms to become more socially

responsible and responsive (Hung, 2011). Hence, the legislations and regulations issued by these governments form a crucial part of why and how most firms, whether operating locally or internationally, design, implement and evaluate corporate social responsibility and responsiveness strategies (Yang and Rivers, 2009; Crilly et al., 2008).

Moreover, when governments encourage socially responsible and sustainable business practices, they also encourage the political connection and interaction between them and the firms (Lozano et al, 2007). This, in particular, relates to the context of this research. As governments or the state are usually the sole institution that is responsible for reducing or eliminating the impact of terrorism in a given setting, this political interaction between governments and private firms through corporate social responsibility and responsiveness can positively enhance the implementation of the counter terrorism strategies already in place. The legitimacy that firms build locally and internationally through CSR, help in accepting how these firms can collaborate with governments to pursue a unified goal (Detomasi, 2008).

For multinational corporations, governments are essential to the process of internationalisation, as they are the force of regulation for the rules of expansion, foreign investment and production (Luo, 2006). Further, Husted and Allen (2006) inferred that governments focus more on the performance of multinational corporations they are hosting, by evaluating their corporate social responsibility and responsiveness behaviour, strategies and practices. Whereas multinationals evaluate the political conditions of the home and host countries to determine the level of engagement in socially responsible practices (Hadjikhani et al., 2008).

This interaction between firms and governments forms an inevitable pillar of investigation key to the research context. When governments design counter terrorism strategies and policies, such as the 'Prevent' policy in the United Kingdom, various stratum of the overall society including the private sector and multinationals, facilitate the process of implementation of these policies. Failing to implement or facilitate the implementation process of these policies and strategies can be punishable by law. For example, following the 2005 Amman hotel bombings in Jordan, the Jordanian government revised their counter terrorism policy such that all private businesses, irrespective of size or location had to conform by substantially enhancing their security measures. This revision of the policy included due diligence by the banking sector to halt the financing of known terrorist organisations in Jordan and the Middle East. It also included a compulsory installation of security check points in all public places including shopping centres, restaurants, hotels and even grocery stores, (Ghazal, 2015).

The increased pressure to adhere to the policies and strategies put in place by the government as a secondary stakeholder, can be seen as compulsory action rather than voluntary, which in essence is the opposite of the nature of corporate social responsibility (Carroll, 1999). However, CSR and social responsiveness practices that are indirectly linked to security and counter terrorism, can have a direct positive impact on the reduction or elimination of terrorism.

### **3.5.3.2. Media**

According to Azmat and Samaratunge (2009), media is a significant and key factor in forming public opinions, communicating public policy and reporting the different levels of corruption cases on a local and international scale. They have also emphasised that media is one of the most important secondary stakeholders for firms and multinationals, whereby firms contribute to the society in which they operate in turn increased their level of exposure. Further, Bitektine (2011) elaborated on the role of the media as a stakeholder by emphasising that media is the tool by which firms can communicate or enhance their relationships with other primary or secondary stakeholders.

In the context of countering terrorism and enhancing security, media can be seen as a controversial tool. Some view media as a tool that can be exploited by terrorists and their manipulation to use it as an integral part of their propaganda, (Wilkinson, 1997). While others view media as a double-edged sword that assists in exposing the manipulation and devastating outcomes of terrorist events, or help terrorist organisations receive more exposure by communicating their propaganda to serve their destructive cause (Eid, 2013).

In spite of this controversy established by the role of media in the context of countering terrorism, one cannot simply deny its role in deviating the course of firms' and multinationals' social behaviour. According to O'Riordan and Fairbrass (2008), media remains the most powerful stakeholder which dictates the reputation and image of firms. The pressures imposed by media, those that induce socially

responsible and responsive corporate behaviour are deemed increasingly demanding (Gugler and Shi, 2009).

#### **3.5.3.3. Community leaders**

The local communities and their leaders such as social activists are the heart of every society. According to Torres-Baumgarten and Yucetepe (2009), there is an increased level of monitoring and scrutiny by the local communities towards the social behaviour of firms and multinational corporations. In addition, this scrutiny has led businesses to shift their focus onto their ability to contribute to the societies in which they operate by introducing and implementing corporate social responsibility and responsiveness practices. As a result, Mishra and Suar (2010) inferred that by doing so, firms and multinationals can positively benefit from this shift due to the enhanced corporate image and reputation, which then leads to enhanced organisational performance on economic, ethical and social levels.

Moreover, firms' participation within the local communities, and their collaboration with community leaders and activists through socially responsible and responsive activities takes the shape of philanthropy, the social and economic development of those communities and public-private partnerships (Mishra and Suar, 2010). These public-private partnerships are the vehicle for collaborative action towards the elimination or the reduction of the impact of terrorism (DCAF, 2016). As this is in connection to governments as stakeholders, community leaders have a similar role on how to induce the participation of firms and multinationals in resolving social issues. These pressures that community leaders and the local communities place

on firms and multinationals are in line with the overall improvement sought towards developing the social and economic aspects of those living within that society (Reimann et al., 2012).

#### **3.5.3.4. Non-government organisations (NGOs)**

According to Ahmed and Potter (2006), non-government organisations (NGOs) are defined as “any international organisation which is not established by an inter-governmental agreement,..., [an NGO] cannot be profit making, it cannot advocate the use of violence, it cannot be a school, a university, or a political party, and any concern with human rights must be general rather than restricted to a particular communal group, nationality, or country” (Ahmed and Potter, 2006, p. 8). These NGOs, as with other primary and secondary stakeholders, impose a form of increased scrutiny on the overall social and ethical behaviour of firms and multinationals, which as a result leads to increased involvement and participation in societies through CSR and social responsiveness practices (Gifford et al., 2010; Arenas et al., 2009).

NGOs advocate positive change locally and globally by placing pressures on private firms and multinationals to adopt socially responsible and responsive behaviours such as pricing mechanisms, enforcing equality through human resource practices and the implementation of philanthropic activities (Doh and Guay, 2006; Doh et al., 2004). Additionally, NGOs exert pressure on firms and multinationals in issues related to the environment and environmental sustainability, such as factory

emissions control, responsible resourcing and the use of renewable energy in their production cycle (Pater and Van Lierop, 2006).

Furthermore, NGOs as independent organisations are usually involved in resolving humanitarian issues and problems. These issues can be related to global poverty, violent conflict, militarised violent conflict, counter terrorism and refugee crises. However, these organisations are not exempt from scrutiny by governments especially as they mainly operate in vulnerable areas and deal with vulnerable individuals. For example, in Jordan and as of the beginning of 2017, NGOs and non-profit organisations were included and not exempt from the quality control checks and process relating to the anti-money laundering and terrorism law. According to the Jordan Times (2017), the Central Bank of Jordan has come to this decision in order to regulate the work of non-government organisations in Jordan for the purposes of preventing their use for illegal acts such as terrorism and money laundering.

Despite the fact that NGOs are subject to similar types of scrutiny to those imposed on firms and multinationals, they are an important stakeholder that enforces the design, implementation and evaluation of socially responsible and responsive practices by those private firms.

In this section, a discussion of the subtypes of secondary stakeholders, namely governments, the media, community leaders and non-government organisations have been presented. These secondary stakeholders impose pressures on private firms and multinationals to enforce socially responsible and responsive behaviour,



one that helps in resolving social issues and problems that exist in their home or host countries. Each subtype of these stakeholders can influence private firms uniquely based on the level of pressure imposed. For example, governments enforce responsible behaviour through the legislation and regulations produced, while the media uses the power of public opinion. Moreover, community leaders advocate the social and economic development of their own local communities, while NGOs advocate resolving humanitarian issues on a global scale. In this respect, the proposed hypotheses regarding the influence of secondary stakeholders on firms' likelihood to implement the different types of response strategies are as follows:

**Hypothesis 2a:** Secondary stakeholders are more likely to impose pressures on firms to directly respond to terrorism.

**Hypothesis 2b:** Secondary stakeholders are more likely to impose pressures on firms to indirectly respond to terrorism.

**Hypothesis 2c:** Secondary stakeholders are more likely to impose pressures on firms to unilaterally respond to terrorism.

**Hypothesis 2d:** Secondary stakeholders are more likely to impose pressures on firms to collaboratively respond to terrorism.

In the following section, another essential independent factor in this study will be discussed. This will include the brief discussion of the level of exposure to terrorism faced by private firms. The level of exposure will be portrayed by the level of concern about terrorism, firms' own experience as either targets or victims of collateral damage and firms' own international activity in known terrorism-prone locations.

### **3.5.4. Firms' exposure to terrorism**

#### **3.5.4.1. Level of concern about terrorism**

The perception of private firms' level of concern about terrorism is usually reflected through, and can be calculated by measuring the differences in perceiving risk (Drakos and Muller, 2011). The behavioural response and proactive preparedness are vital determinants of the level of concern that firms transmit through their day-to-day business strategies (Lee and Lemyre, 2009). While the organisations' preparedness is viewed as a group strategy, Lee and Lemyre (2009) stated that this preparedness consists of, but is not limited to, information seeking activities, avoiding situations where the firm as a whole might end up being a victim and the rule of antecedents.

Although these characteristics that measure the level of worry, fear and safety concerns were built upon the study of the individual, these can be reflected on the behaviour of firms. Correspondingly, in a study by Beutell et al. (2017), it was indicated that private businesses that have experienced either direct, indirect, physical or cyber terrorist attacks have shown a higher level of stress and fear, along with multi-level cognitive preparation as part of their concern. Beutell et al. (2017) stated that firms with employees who have previously experienced working in hostile situations were forced to conduct measures of deployment, repatriation and expatriation to provide better and safer work environments. Given these remarks on how the level of concern about terrorism might encourage firms to execute certain procedures, it is hypothesised in this thesis that firms with higher levels of concern

will be more likely to implement response strategies to counter terrorism and enhance security. The following are the proposed hypotheses in this regard:

**Hypothesis 3a:** Firms that are more concerned about terrorism are more likely to implement direct response strategies.

**Hypothesis 3b:** Firms that are more concerned about terrorism are more likely to implement indirect response strategies.

**Hypothesis 3c:** Firms that are more concerned about terrorism are more likely to implement unilateral response strategies.

**Hypothesis 3d:** Firms that are more concerned about terrorism are more likely to implement collaborative response strategies.

#### **3.5.4.2. Firms affected by terrorism**

The second factor related to firms' exposure to terrorism is firms' own experience as either targets or victims of collateral damage caused by terrorism. According to the GTD (2016), almost 13% of all terrorist incidents taking place since 1970 worldwide targeted private businesses. Those businesses were either direct targets in the aforementioned terrorist attacks, or suffered by being victims of collateral damage caused by these attacks. Firms' own exposure to terrorism can be seen as a hinderance to their continuous business operations; however, Perry (2011) suggested that firms with greater resources and capital have the obligation to provide protection for their employees, customers and their shareholders' wealth. In this regard, the business environment has been greatly affected by the impact of terrorism. Czinkota et al. (2010) stated that governments usually tighten the security of public places and interests, which leaves businesses vulnerable and subject to terrorist activity. Additionally, past studies such as Larobina and Pate's (2009) examined a number of business sectors to measure the impact of terrorism. These

sectors were the equity market, aviation, tourism, insurance and corporate security. The results of their investigation indicated that all five sectors suffered devastating consequences resulting from terrorism activity.

Owing to the fact that the negative impact of terrorism has been felt across a number of business sectors throughout history, it is integral to examine whether being affected by terrorism might influence firms' likelihood to implement response strategies to counter terrorism and enhance security. In this regard, the proposed hypotheses are as follows:

**Hypothesis 4a:** Firms that have been affected by terrorism are more likely to implement direct response strategies.

**Hypothesis 4b:** Firms that have been affected by terrorism are more likely to implement indirect response strategies.

**Hypothesis 4c:** Firms that have been affected by terrorism are more likely to implement unilateral response strategies.

**Hypothesis 4d:** Firms that have been affected by terrorism are more likely to implement collaborative response strategies.

#### **3.5.4.3. Firms operating in terrorism-prone locations**

Operating in terrorism-prone locations can be detrimental to the flow of the business. In such situations, firms are more vulnerable and susceptible to falling victims to these atrocities (Czinkota et al., 2010). However, as mentioned earlier, private business can thrive and prosper while operating in such locations, for survival strategies can increase their market share, enhance their overall performance and reinforce their competitive advantage (Branzie and Abdelnour, 2010). Although such survival mechanisms require resources, managerial experience and a well-

established network of collaborators, Branzie and Abdelnour (2010) suggested that firms with entrepreneurial philosophy and cognitive reaction are more likely to continue their business operations in such locations. Additionally, firms that have their business continuity plans in place are more likely to survive and apply a 'business as usual' mentality in the face of disasters such as terrorism (Decker, 2005).

In light of this, this thesis intends to examine the relationship between operating in terrorism-prone locations, and firms' likelihood to implement response strategies to counter terrorism and enhance security. Having said that, the following are the proposed hypotheses for this factor:

**Hypothesis 5a:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement direct response strategies.

**Hypothesis 5b:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement indirect response strategies.

**Hypothesis 5c:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement unilateral response strategies.

**Hypothesis 5d:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement collaborative response strategies.

The following section will include a brief discussion of the factors constituting firms' own characteristics. In this regard, firms' characteristics such as size and age are important attributes to measure their performance, especially in a changing and a challenging environment (Majumdar, 1997). Therefore, the hypotheses regarding the relationship between the firm size, age and firms' likelihood to implement response strategies to counter terrorism and enhance security will be proposed.

### **3.5.5. Firm characteristics**

#### **3.5.5.1. Firm size**

The first independent element of firms' characteristics is the size of the firm. To begin with, previous studies have found that terrorism has a detrimental impact on the global business environment (Czinkota et al., 2004; 2005; 2010). This impact was found to reduce the number of firms and business formation, as well as reduce the number of employment and opportunities for expansion (Greenbaum et al., 2007). While the size of the firm is considered one of the most explanatory organisational characteristics in strategic and business environment analysis (Josefy et al, 2015), the economic impact of terrorism is detrimental to the operations of smaller firms (MacPherson et al., 2006). However, studies such as Branzie and Abdelnour (2010) found that while operating in locations with critical conditions related to conflict and terrorism, smaller, entrepreneurial firms exhibit greater resilience against such conditions. Branzie and Abdelnour (2010) suggested that smaller, entrepreneurial firms benefit from collaborations, and interventions from international development agencies and NGOs that contribute to the overall business resilience in such conditions.

Nevertheless, evidence shows that larger firms, those with larger numbers of employees, higher income turnover, and wider geographic spread were found to encompass higher degrees of survival and adaptation to changes in the business environment (Coad et al., 2013; Carr et al., 2010). In this respect, the proposed hypotheses regarding the size of the firm and firms' likelihood to implement the different types of response strategies are as follows:

**Hypothesis 6a:** Larger firms are more likely to implement direct response strategies.

**Hypothesis 6b:** Larger firms are more likely to implement indirect response strategies.

**Hypothesis 6c:** Larger firms are more likely to implement unilateral response strategies.

**Hypothesis 6d:** Larger firms are less likely to implement collaborative response strategies.

#### **3.5.5.2. Firm age**

The second important element of firm-specific characteristics is the age of the firm. The firm age is attributable as a characteristic that determines firms' ability to engage, adapt and survive in a volatile business environment. According to Thornhill and Amit (2003), survival in younger firms or firms that have less experience in a specific setting are ascribed to firms' continuous development in managerial knowledge and their financial management abilities. On the contrary, older, more experienced firms, are hindered in their inability to adapt to environmental change. However, Evans (1987) predicted that firms with longer business experience defy the probabilities of failure in the face of changes in the business environment. Commensurate with these findings, Carr et al. (2010) inferred that older firms can adapt to long-term changes in the business environment, which increases their survival rate in comparison to younger, less experienced firms. This is accredited to older firms' improvement as they gain more experience. Correspondingly, Coad et al. (2013) emphasised that older firms tend to have higher levels of productivity, higher profits, lower debt ratios and are usually larger in size.

In light of this, the following are the proposed hypotheses to examine the relationship between firms' age and firms' likelihood to implement response strategies to counter terrorism and enhance security:

**Hypothesis 7a:** Older firms are more likely to implement direct response strategies.

**Hypothesis 7b:** Older firms are more likely to implement indirect response strategies.

**Hypothesis 7c:** Older firms are more likely to implement unilateral response strategies.

**Hypothesis 7d:** Older firms are more likely to implement collaborative response strategies.

Having presented all the proposed hypotheses in this study, the following table includes a summary of these hypothesised relationships (Table 3.1). This will aid the choice of an appropriate methodology to achieve the research aims and objectives and answer the research questions outlined in Chapter one. Further discussion on the methodology and methods will be presented in Chapter 4.



### 3.6. Hypotheses summary

Table 3.1: Hypotheses summary table

Hypothesis Number	Factors	Relationship
1. H1a	Primary stakeholders and direct response	+
2. H1b	Primary stakeholders and indirect response	+
3. H1c	Primary stakeholders and unilateral response	+
4. H1d	Primary stakeholders and collaborative response strategies	+
5. H2a	Secondary stakeholders and direct response strategies	+
6. H2b	Secondary stakeholders and indirect response strategies	+
7. H2c	Secondary stakeholders and unilateral response strategies	+
8. H2d	Secondary stakeholders and collaborative response strategies	+
9. H3a	Affected by terrorism and direct response strategies	+
10. H3b	Affected by terrorism and indirect response strategies	+
11. H3c	Affected by terrorism and unilateral response strategies	+
12. H3d	Affected by terrorism and collaborative response strategies	+
13. H4a	Level of concern and direct response strategies	+
14. H4b	Level of concern and indirect response strategies	+
15. H4c	Level of concern and unilateral response strategies	+
16. H4d	Level of concern and collaborative response strategies	+
17. H5a	Operating in terrorism-prone locations and direct response strategies	+
18. H5b	Operating in terrorism-prone locations and indirect response strategies	+
19. H5c	Operating in terrorism-prone locations and unilateral response strategies	+
20. H5d	Operating in terrorism-prone locations and collaborative response strategies	+
21. H6a	Firm size and direct response strategies	+

<b>22. H6b</b>	Firm size and indirect response strategies	+
<b>23. H6c</b>	Firm size and unilateral response strategies	+
<b>24. H6d</b>	Firm size and collaborative response strategies	+
<b>25. H7a</b>	Firm age and direct response strategies	+
<b>26. H7b</b>	Firm age and indirect response strategies	+
<b>27. H7c</b>	Firm age and unilateral response strategies	+
<b>28. H7d</b>	Firm age and collaborative response strategies	+

### **3.7. Summary of the chapter**

In this chapter, a discussion of the research context in this thesis was presented. This presentation included a clarification of the issue of terrorism. In this regard, while a number of definitions were explored, it was deemed appropriate to utilise definitions stated by multilateral organisations for issues of inclusivity and conformity. Definitions such as the UNICSFT's are widely used in such contexts and are accredited by several states in their counter terrorism policies and regulations. Furthermore, the unit of analysis in this thesis, the multinational corporation, was discussed. This discussion included defining the MNC and exploring the attributes, scale and scope of CSR practices that are interlinked with the idea of a multinational. Additionally, this chapter explored the impact of terrorism on MNCs operations and flow of business.

While the focus and the context of this thesis is the multinational corporation, exploring the country in which the sample will be located and the data collection will take place, is essential. In this regard, this chapter discussed the factors contributing to Jordan's increasing threat of terrorism, the Jordanian government's efforts in reducing its impact and how public-private partnerships in this matter could offer a fruitful collaboration to eliminate and reduce the impact of terrorism.

Additionally, this chapter covered a discussion of the factors associated with the foundation of this thesis' conceptual framework. The earlier literature analysis highlighted a research gap linked to the role of firms and multinationals in countering terrorism, especially when contextualised to the Middle East and Jordan in particular. This gap is associated with multinationals' own corporate social responsibility and responsiveness towards the problem of terrorism, one that is exhausting nations socially, ethically and economically. Therefore, the findings of the literature review consisted of a choice of the stakeholder theory as the main theoretical framework by which this research inquiry is guided.

In order to fulfil this inquiry, this chapter discussed the foundations of the conceptual framework, by linking primary and secondary stakeholders and the pressures they impose on multinationals to design, implement and evaluate response strategies that can reduce or eliminate the impact of terrorism. Additionally, independent factors such as the level of exposure to terrorism experienced by firms, and firm's own characteristics were also explored. The discussion of the aforementioned factors resulted in proposing 28 hypotheses to examine the relationships between

these factors and firms' likelihood to implement the four different types of response strategies to counter terrorism and enhance security.

The following chapter will discuss the methodology of how these proposed hypotheses will be tested. Issues such as the research philosophy, the choice of methodology, the data collection method and instrument, sampling and applied tests will be presented.

## **Chapter 4: Methodology**

### **4.1. Introduction**

This chapter aims to discuss and determine the methodology by which the study will be undertaken. As discussed in earlier chapters, this study aims to investigate the role of the Jordanian multinational enterprises in preventing, reducing or eliminating the impact of terrorism. By reiterating what has been discussed in the conceptual framework chapter, this chapter will assist in the choice of the most appropriate methodology to test the relationships proposed earlier for the purposes of achieving the research objectives and answer the research questions.

In this chapter, a discussion of the research paradigms/philosophies, accompanied with a detailed discussion of the research design/approach, will be presented. This will serve as a guiding outlook by which the data collection instrument is designed, implemented, and analysed.

### **4.2. Research paradigms**

Coherent and vivid philosophical base is an essential part of any social enquiry or as Trigg (1985) pointed out, it is an “indispensable starting-point for all social science” (Blaikie, 1993; p. 1). Simultaneously, understanding the major constituents of the philosophy of social science aids the process of understanding the different and various paradigms associated with the term (Blaikie, 1993). These essential components are known as Ontology and Epistemology. According to Burrell and Morgan (1979), the assumptions about the nature of social science fall within two main categories, the subjectivist approach to social science and the objectivist approach to social science. Both categories include specific characteristics of the

social enquirer that are set to be in an integrated package or as Chalmers (2013) calls it, a hair ball.

The typology presented by Burrell and Morgan (1979) in their book “Sociological Paradigms” is as follows:

- The subjectivist approach to social science; where the researcher has a Nominalist ontology, an Anti-positivist epistemology, a Voluntarist human nature and an ideographic methodology.
- The objectivist approach to social science; where the researcher has a Realist ontology, a Positivist epistemology, a Determinist human nature and a Nomothetic methodology.

As these two packages represent how researchers should be classified regarding their view of the social world, it is important to clarify what is meant by the most critical aspects, namely Ontology, and Epistemology.

Ontology as a central concept in the philosophy of science is defined as “the science or study of being. [It] refers to the claims or assumptions claims or assumptions that a particular approach to social enquiry makes about the nature of social reality-claims of what exists, what it looks like, what units make it up and how these units interact with each other” (Blaikie, 1993; p. 6). In addition, Benton and Craib (2001) stated that ontology can be the answer to the question of “what kinds of things are there in the world?” (Benton and Craib, 2001; p. 4). They then stressed that the notion of ontology created a debate between four different traditions, the four of

which (Materialism, Idealism, Constructivism and Dualism) argued the constituents and the nature of being, and what is there in the world.

Regardless of how equally important it is to define and clarify one's ontological stance, the purpose of this section is to highlight the different types of epistemologies relevant to the research problem. Understanding how variant and contradicting epistemologies can be will help the author arriving at a stance or an epistemological position that would best serve the aims and objectives of the research problem. Having said that, it is important to explicate what epistemology is and how it is defined, pursued and promulgated.

Epistemology is "the theory or science of the method or grounds of knowledge. [It] refers to the claims or assumptions made about the ways in which it is possible to gain knowledge of this reality, whatever it is understood to be; claims about how what exists may be known" (Blaikie, 1993; p. 7). To put it more simply, epistemology is the source of knowledge, how it is acquired and what inferences we can make of it (Benton and Craib, 2001). Epistemology is what constitutes the assumptions by which we understand and communicate knowledge (Burrell and Morgan, 1979). Additionally, according to Crotty (1998) and Creswell (2013), understanding the epistemological position within the discipline area and embedding it within the theoretical perspective used, is the initial step in the research design process.

In relation to this research, investigating the role of Jordanian multinational enterprises in countering terrorism and enhancing securities entails the study of the behaviour of the multinational. This is particularly highlighted in international

business research. It also entails the study of the corporate social responsibility activities and strategies implemented by those multinationals, which is highlighted simultaneously in business ethics research. Therefore, an overall understanding of the dominant epistemologies in both international business and business ethics will greatly assist in understanding the appropriate epistemology for this research.

According to Sullivan (1998b), after analysing a vast number of studies in top international business journals, the results indicated that the vast majority of studies were dominated by a positivist view. The meta-analysis of the studies indicated an overall use of methods such as longitudinal and time-series profiling, as well as meta cross sectional analysis to arrive at either acceptance or rejections to the presented hypotheses in any named work. This finding was supported by the analysis of methodological issues in international business and international entrepreneurship conducted by Coviello and Jones (2004). They stated that the bulk of research in international business and entrepreneurship “captures data in a logical positivist manner, emphasizing inferential statistics, hypothesis testing, and so on. The overall aim of the positivist approach is generally to record, measure, and predict reality through sets of predetermined variables, and constructs” (Coviello and Jones, 2004; p. 498).

On the contrary, the meta-analysis of Sullivan (1998b) showed a significant decrease in the comprehensiveness and connectedness of the premise and the hypotheses testing. This motivated a further call for the need to increase the understanding by using a more interpretivist approach and qualitative methods (Doz, 2011; Sinkovics and Ghauri, 2008; Birkinshaw et al., 2011). However, the



positivist, empirically-driven research position is still an attractive and required characteristic of international business (Griffith et al., 2008).

Additionally, in business ethics research Brand (2009) conducted a comprehensive analysis to the paradigmatic frameworks provided by scholars such as Burrell and Morgan (1979), Crotty (1998) and Guba and Lincoln (1994), by linking this analysis to the business ethics discipline. This thorough analysis and synthesis of the paradigms resulted in the deductive conclusion that positivism remains a dominant paradigm in business ethics research regardless of the criticism positivism faces in terms of the inability to measure ethics (Crane, 1999). Brand (2009) also concluded that critical approaches in business ethics research remain less affiliated with the discipline.

That being said, positivism remains the dominant epistemology in the disciplines that are interlinked with investigating the role of the multinational in countering terrorism and enhancing security. This epistemology constitutes a major part of the overall approach undertaken, which in nature is objective. As Burrell and Morgan (1979) stated, the positivist epistemology is widely used to “characterise epistemologies which seek to explain and predict what happens in the social world by searching for regularities and causal relationships between its constituent elements” (Burrell and Morgan, 1979, p.5). This, in essence, applies to the proposed relationships between stakeholders’ pressures and the likelihood of implementing the range of response strategies to countering terrorism and enhancing security that are discussed in Chapter 3.

Following is a discussion of the range of the relevant research approaches/designs that will be implemented in order to undertake this. This will include a discussion of the overall approach, the data collection method, the instrument design, the data collection process, and the data analysis approach.

#### **4.3. Research approach**

In the previous section, a major identification of the first two components of the research inquiry have taken place. According to Crotty (1998) there are four components to the research inquiry; the epistemology, the theoretical perspective, the methodology and the method(s). In terms of the epistemology and the theoretical perspective, the research will be conducted through a positivist epistemology, which in essence falls within the objective theoretical perspective. This was based on the analysis of the dominant paradigms within the disciplines in which this study is placed. Moreover, the nature of this study, which states the need to examine causal relationships between its constituents, obliges to follow this epistemological stance and theoretical perspective.

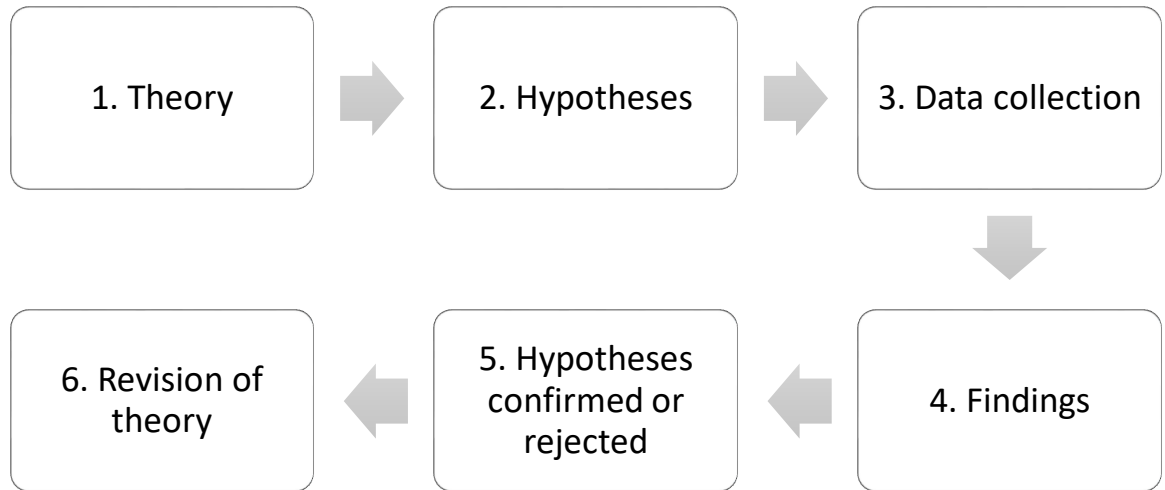
In a number of published scholarly works on social research generally, and business research in particular, there has been a continuous comparison between the two main methodological approaches; the quantitative approach and the qualitative approach (Bryman and Bell, 2011; Creswell, 2003; Robson, 2011; Saunders et al., 2009). This comparison is widely connected to the philosophical assumptions, the theoretical perspectives and the research design strategies associated with each approach (Creswell, 2003).

Both the qualitative and quantitative approaches to research in business and management have been subject to a wide range of criticism related to the suitability of these two approaches in various research scenarios (Robson, 2011). Although several studies identified the possibility of combining qualitative and quantitative approaches in business research, it is important to distinguish between the characteristics of both approaches to be able to utilise the variety of rich methodologies associated with each (Leech and Onwuegbuzie, 2009; Bryman, 2006).

Furthermore, for the purposes of establishing a clearer understanding of the two main research designs, the qualitative and the quantitative, it is important to highlight how the two types of research design approach theory. According to Saunders et al. (2009), there is one main categorical difference between qualitative and quantitative research in relation to theory. The quantitative design emphasises the deductive approach, while the qualitative design emphasises the inductive approach.

To elaborate, Bryman and Bell (2011) stated that in the deductive approach, researchers tend to digest the available knowledge of particular theories within specific research disciplines in order to deduce a number of hypotheses to test named theories using an empirical approach to collecting and analysing data (see Figure 4.1).

**Figure 4.1: The deductive approach**

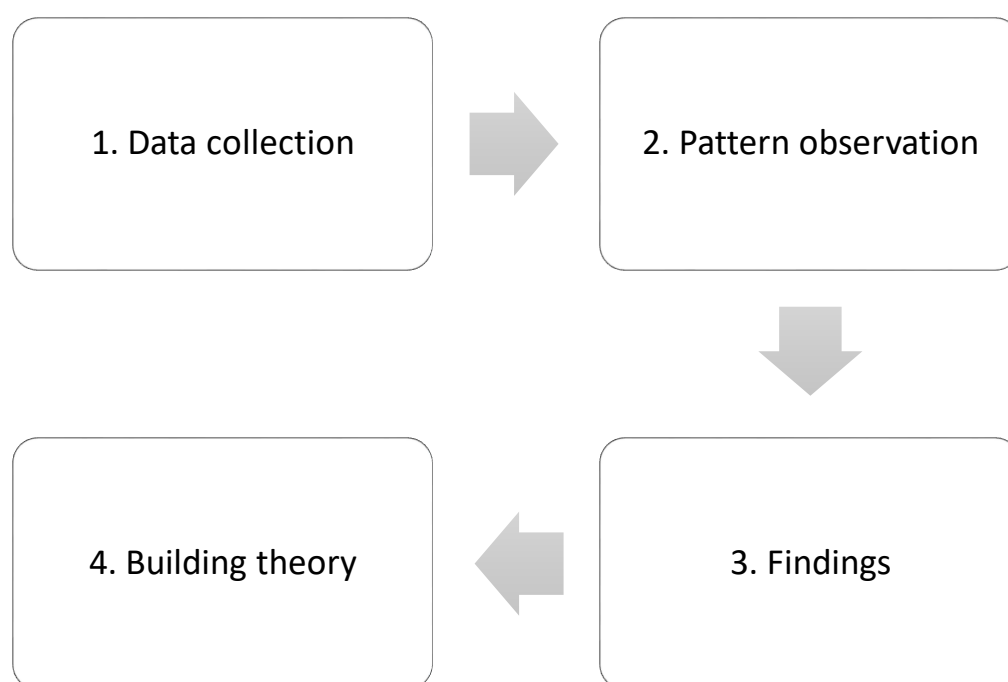


Adopted from Bryman and Bell (2011).

Moreover, the deductive approach is mainly associated with quantitative research designs. Saunders et al. (2009) highlighted that research with a deduction emphasis is associated with explaining causal relationships between a number of variables, which entails the collection of quantitative data through methods such as surveys. Additionally, the deductive approach emphasises the need to have a highly structured design. The structure must ensure the inclusivity of control variables that are highly important in ensuring the validity of the data being collected. Also, all concepts or variables used in this process must be operationalised to ensure the clarity of their definitions and how they link to the theory being tested.

On the other hand, Bryman and Bell (2011) defined the inductive approach, which is mainly associated with qualitative research designs, as the process whereby researchers infer the results of their inquiry to the theory by which their research inquiry was led. This practice can also be referred to as a theory-building rather than a theory-testing practice. Further, Saunders et al. (2009) highlighted that the inductive approach involves the steps of collecting the data, analysing the patterns and then concluding the work by theorising these patterns (see Figure 4.2).

**Figure 4.2: The inductive approach**



Adopted from Saunders et al. (2009).

In light of this, and based on the differences in the deductive and inductive approaches to research, it is highly important to highlight the research strategies or methods that are associated with both the qualitative and the quantitative research designs. The exploration of the various strategies/methods will assist in understanding the differences or the similarities between those strategies, which will

then feed into the main research inquiry of this thesis. Therefore, the following section will discuss and infer the most suitable data collection strategy that will best serve the purpose of this research to investigate the role of Jordanian multinational enterprises in countering terrorism and enhancing the overall national security.

#### **4.3.1. Data collection method**

Data collection methods or strategies vary across the spectrum of research paradigms. As discussed earlier, the research approach used by positivists is mainly deductive in nature, which in nature relies on quantitative methods to answer the research inquiry. On the contrary, interpretivists are associated with the inductive approach, through which they utilise the use of a variety of qualitative methods/strategies to achieve their research objectives and feed into the building of a theory (Creswell, 2003). For interpretivist, inductive and qualitative research, the majority of social scientists have agreed on several methods and strategies to be implemented as part of the qualitative research design. According to Collis and Hussey (2009), qualitative research methods have been identified as hermeneutics, ethnography, participative enquiry, action Research, case studies and last but not least, grounded Theory.

Additionally, and looking more into grounding qualitative research as a coherent and an adequate approach for business studies, Myers (2013) thoroughly clarified four of the most important and most common qualitative business research methods. Namely, action research, case study research, ethnographic research and grounded theory.

First, for action research method it is important to understand that this approach is highly associated with finding an effective way of bringing a conscious change in a

partly controlled environment (Collis and Hussey, 2009). And as Myers (2013) stated, “is an excellent way to improve the practical relevance of business research” (Myers, 2013, p. 60). Myers (2013) also added that the fact that this method entails some aspects of collaboration between the researchers and the subjects of the research, may cause ethical issues to arise (Labaree, 2002).

Second, for case study research Collis and Hussey (2009) stated that this methodology is often used to explore and understand a particular phenomenon, while using a variety of methods (techniques) to gain an in-depth knowledge. This is explicitly explained in Myers’ (2013) chapter on case study research. Myers (2013) clearly indicated that “the purpose of case study research in business and management is to use empirical evidence from real people, in real organizations, to make an original contribution to knowledge” (Myers, 2013, p. 76). Yin (2009) elaborated more on the types of cases, as these could be decisions, individuals, organisations, processes, programmes, neighbourhoods, institutions and events.

Third, for ethnographic research it is essential to highlight that this method is analogous to providing descriptions and interpretations regarding the social structure of a particular social group (Robson, 2011). It also entails the use of the knowledge that is acquired and shared socially to observe the variety of human activity patterns (Collis and Hussey, 2009). Ethnography is also a form of social and cultural anthropology in which the researcher places a phenomenon within a specific social or a cultural context in order to understand and explore this phenomenon (Myers, 2013). This method creates an enhanced understanding for what

researchers take for granted, as it uncovers the underpinning assumptions of social phenomena (Myers, 2013).

Last but not least, the grounded theory method. Simply defined as “a systematic set of procedures that is used to develop an inductively derived theory about phenomena” (Collis and Hussey, 2009). In his book, Myers (2013) adopted the definition of Strauss (1987) owing to the fact that it provided more details into the understanding of the method. Strauss (1987) defined grounded theory as “a style of doing qualitative analysis that includes a number of distinct features and the use of a coding paradigm to ensure conceptual development and density” (Myers, 2013, p. 105).

Critique to grounded theory as a method or research strategy was combined with several misconceptions. Arguments about the ability of researchers to initiate the data collection process without having considered the literature were dismissed in Urquhart and Fernandez’ paper (2013). Urquhart and Fernandez (2013) have illustrated how researchers go through a phased literature review process that evolves from a non-committal phase (preliminary literature review), to an integrative phase (a combination of a thematic literature review and a theoretical literature review). This is considered a thorough iterative process; however, the researcher must avoid procuring some predetermined theoretical assumptions prior to analysing their data and building their theory (Myers, 2013).

Regarding the application of qualitative research methods in the subject area of the private sector response and intervention in conflict and war zones, which is relative



to what this thesis aims to achieve, a recent study was conducted using multinational subsidiaries operating in Lebanon during and after the war of 2006 as the unit of analysis. The research utilised the case study research method to explore the role of multinational enterprises in responding to violent conflict in war zones. By using interviews as their main data collection technique, Jamali and Mirshak (2010) were able to capture high value meanings and understandings of how firms operated under the situation of war.

Regardless of the conceptual results of their paper, which constituted that most firms that had been interviewed preferred to “do nothing” during the war (Jamali and Mirshak, 2010), this research established some ground breaking ramifications of using and utilising qualitative research methods in this research area.

Similarly, in view of the fact that this thesis aims to investigate the role of the multinational in countering terrorism and enhancing security, the Jordanian multinational enterprise, or the firm, will be the unit of analysis. However, the inquiry holds a higher value towards the actions undertaken by the multinational enterprise facing a sensitive, devastating and a complicated issue. Therefore, considering recommendations on dealing with sensitive research inquiries and data by Dickson-Swift et al. (2007) and Bahn and Weatherill (2012), qualitative methods are not reckoned to establish the best practice to achieve the research objectives. If pursued, qualitative methods might not be of a sufficient fit owing to the fact that the topic discussed might hinder firms’ executives from participating (Baez, 2002).

In support of following a deductive, quantitative approach in this thesis, previously published research on the private sector's role in intervention in conflict and terrorism has been conducted using quantitative data through either statistical analysis to secondary data or via primary data collection by the aid of large scale survey questionnaires (Harvey, 1993; Oh and Oetzel, 2011; Oetzel and Getz, 2012). Therefore, it is essential to explore the variety of dominant quantitative research methods of data collection.

In the work of Creswell (2003), and Crotty (1998) there has been an agreement on the flow of the research process in social sciences. They both agreed that researchers' epistemology guides the process by which the theoretical perspective is decided and therefore the methodology and methods. For example, Crotty (1998) elucidated that objectivism is an epistemological stance by which "things exist as meaningful entities independently of consciousness and experience" (Crotty, 1998, p.5). This leads to attaining an objective truth and meaning by the view of the positivist stance. As a result, research undertaken through the objective, positivist lens usually engages in either experimental research or survey research, and employs quantitative statistical analysis methods.

In corroboration, Creswell (2003) stated that the two main strategies associated with quantitative research are experiments and surveys. However, in social science research the survey method proved popular especially in cross-sectional research, which applies to this thesis (Neuman, 2013; De Vaus, 2001; Bryman and Bell, 2011). In fact, Bryman and Bell (2011) defined cross-sectional research design as the "design that entails the collection of data on more than one case, and at a single

point in time in order to collect a body of quantitative or quantifiable data in connection to two or more variables, which are often examined to detect patterns of association” (Bryman and Bell, 2011, p. 53). Therefore, the survey method of data is considered suitable for this study for the purposes of conducting a cross-sectional design. Additionally, a number of past studies have utilised the survey method in a similar context to the current study (Oetzel and Getz, 2012; Park et al., 2014; Park and Ghauri, 2015; Valiente et al., 2012).

Having established a wider understanding of the data collection methods associated with the deductive, quantitative and cross-sectional design of this thesis, the following section will demonstrate the process by which the data collection instrument was developed, tested and modified to fit the purposes of achieving the research objectives and correspond to the research questions.

#### **4.4. Instrument development**

In the previous section the survey data collection method emerged to be suitable for achieving the research objectives and questions. However, it is important to decide which is the most suitable and the least erroneous form of survey to operate in this research inquiry. For this matter, a choice was made to operate a self-administered e-mail questionnaire, which will be sent directly to the directors of the Jordanian multinationals located within the sample. This choice was based on several reasons, of which Dillman et al. (2014) stated that with e-mails being the sole form of communication between researchers and their target sample, responses can be collected from a large number of respondents in a shorter timeframe than that of using traditional mail or the phone (Dillman et al., 2014; Lefever et al., 2007). It is

also cost effective, as emails or web surveys can be set up free of charge or at a very low cost (Pedersen and Nielsen, 2016; Yun and Trumbo, 2000).

However, responses to e-mail questionnaires might not be as high in number as expected. Therefore, the questionnaire itself needs to be designed in an appealing, attractive manner, while keeping the questions short, direct and error-free to allow for a smooth response process by the target sample (Dillman et al., 2014).

In this section a discussion of the questionnaire design, the translation process and the validity and reliability testing of the instrument will be discussed.

#### **4.4.1. Questionnaire design**

This section includes a discussion of the design of the data collection instrument utilised in this thesis, the survey questionnaire. The questions were designed to serve the purpose of achieving the research objectives and correspond to the research questions presented in Chapter 1. The design includes questions about the variables identified throughout the literature review and aids in establishing causal relationships between those variables as described in the conceptual framework.

Attached to the questionnaire, as the first page, is a comprehensive cover letter through which the main aim of this research is explained, along with the research objectives and questions. The respondents are made aware of the purposes of this research, the process by which their data will be collected, stored and used, as well as a clear guarantee of confidentiality, as per the suggestions in Dillman et al. (2014) and Bryman and Bell (2011). As according to Dillman et al. (2014), cover letters are

useful as they provide a clear introduction of the research and the researcher(s), by which response rate can be maximised as it reduces misconceptions and confusion over the purpose of the research or the academic or professional body conducting the study.

Furthermore, after a brief introduction to the purposes of this research in the cover letter, the respondents are able to view the questions which are divided into five sections. In the first section, the respondents are asked to fill out general information about their firm. The general information includes questions about the size of the firm (based on the number of employees) and the age of the firm (based on the year of registration with the Amman Chamber of Commerce in Jordan). These two variables are used as controls in the study, which will be discussed in detail in the results chapter and the discussion chapter. Other questions in this section, which relate to the origin of the firm, the industry and position of the respondent will be used to determine the usability of the response. For example, as the Jordanian multinational is the unit of analysis, responses from managing directors, or decision makers are sought in this context, therefore, the position of the respondent will determine whether to accept or reject certain completed questionnaires (see Appendix 1).

In the second section, the respondents are asked to fill out questions related to their foreign or international activity. The two questions in this section determine firstly, the nature of the firm's foreign activity and secondly, the location in which this activity is conducted. The choices in the foreign activity location question were selected from the Global Terrorism Index (GTI, 2016) as the top 10 countries that are most

prone to terrorism based on the number of terrorist incidents that took place in the last 45 years. The questions in this section will be used as dummy variables, which is a process by which variables that are not conventionally measured numerically can be introduced to the analysis model (Suits, 1957). These are variables that have a qualitative nature and are usually binary (Yes, No; Male, Female), which in this case will be determined by whether the firm conducts their international activity in a terrorism-prone location.

In the third section, the respondents are asked to fill out two questions related to the firm's exposure to past terrorist incidents, and the firm's level of concern towards major terrorist incidents taking place either in Jordan or in the location in which they operate. The Amman Hotel Bombings in 2005 was used as a reference to major terrorist incidents, as it had a devastating impact on the country as a whole and left a horrifying image imprinted in the minds of those who experienced it or were in Jordan at the time of the incident (Ghazal, 2015). In terms of the use of these two questions in the analysis, the firm's exposure to terrorism will be used as a dummy variable, as it holds a binary value, whereas the level of concern is measured by a number of items which correspond to the variable, by which the respondents are asked to rate these items using a 7-point Likert scale. The level of concern towards terrorism is one of the independent variables in this study and holds a great value towards explaining the likelihood of firms to implement one or more of the response strategies to counter terrorism and enhance the overall national security (see Chapter 3).

It is important at this stage to clarify the use of a 7-point Likert scale in section 3 of the questionnaire, as well as the further sections of 4 and 5. The choice to use a 7-point Likert scale to measure the items and variables in this study in favour of using 5-point or 9-point scales is dependent upon a number of reasons. Research utilising the use of a 5-point Likert scale has been supported by arguing that it increases the likelihood respondents will complete survey questionnaires and have a higher, maximised response rate (Buttle, 1996). Additionally, Marton-Williams (1986) stated that respondents are enabled to express their views using a 5-point Likert scale more than in a 7-point or a 9-point scale. However, the use of a 7-point Likert scale in social science research has had stronger support. According to Lewis (1993), strong correlations and t-test results have been associated with the use of a 7-point Likert scale. Additionally, Finstad (2010) and Johns (2010), argued that in electronic surveys (web, e-mail), the use of a 7-point Likert scale is more suited, especially that if the scale drops below 7 points, the data is more likely to be less accurate. In general, Preston and Colman (2000) found that there is stronger support for the 7-point Likert scale, which is adequately justified beyond that of the use of a 5-point Likert scale. Therefore, and in light of this, there will be a vivid use of a 7-point Likert scale throughout the survey questionnaire in this thesis.

Correspondingly, the following section of the questionnaire (section 4) is where respondents are asked to rank their likelihood to implement the variety of response strategies to counter terrorism and enhance security as suggested by the literature discussed in the conceptual framework chapter (see Chapter 3). In this section, the dependent variables, being the response strategies (direct, indirect, unilateral and collaborative) are operationalised through a number of items that define and explain

each variable. The respondents are asked to rate each item on a scale from 1 to 7, 1 being the “least likely”, and 7 being the “most likely” response activities and strategies to implement in order to either prevent or reduce the impact of terrorism in Jordan or the countries in which they have foreign activity. Moreover, since the items presented in this section represent the dependent variables in this study, the completed responses will be used in the regression analysis to examine the relationship between these dependent variables and those of the control, dummy and independent variables as hypothesised in Chapter 3.

Furthermore, the final section of the survey questionnaire is section 5. In this section the respondents are asked to rate the different types of primary and secondary stakeholders in relation to their importance in enticing firms, or Jordanian multinationals in this case, to implement the variety of response strategies presented in section 4 of the questionnaire. The respondents are asked to rate these stakeholders on a scale from 1 to 7, where 1 is the “least important” and 7 is the “most important”. The different types of both primary and secondary stakeholders are used in this questionnaire to reflect the hypothesised relationships in the conceptual framework. Both the primary and secondary stakeholders are used as independent variables in this study, by which the relationship between stakeholders and the implementation of response strategies to counter terrorism and enhance security is examined throughout the whole thesis.

With that in mind, the issue of translating the survey questionnaire will be discussed in detail in the following section. This includes translating the cover letter and the



questions from the language of this research, the English language, into the language of the respondents in Jordan, the Arabic language.

#### **4.4.2. Translation process**

Cross border research that is conducted across different cultures to the original research enquiry can pose a challenge in transmitting the aims and objectives of any study (McGorry, 2000). Further, a poorly interpreted survey questionnaire can have serious negative ramifications to the end result of the study (McGorry, 2000). According to Muller (2007) and Chidlow et al. (2014), researchers should even look beyond translating the semantics and linguistics of a data collection instrument, by understanding the political and cultural impact of the questions and how to best interpret these to correspond to the sample of prospect respondents. It is also worthy to note that Jordan, as an absolute monarchy, has gone through major reforms in recent years that communicated their levels of democracy and freedom of expression. However, the reformed laws guarding freedom of expression in Jordan drew the lines of what is acceptable and what is punishable. According to the Human Rights Watch (2018), Jordanian freedom of expression laws prohibit the citizens of Jordan from being critical of the king, foreign countries, government officials and institutions, and Islam, or any speech that is deemed defamatory to others. Further, the reforms included introducing a law that prohibits electronic crimes, especially those that entice hate speech, including sympathising with terrorist incidents and terrorist organisations. With that in mind, the translation process of the survey questionnaire used in this thesis took into consideration the use of the linguistics and semantics that might deter respondents from completing

the questionnaire, and avoided any questions that could by any degree relate to critically contempt the king, the government, official institutions or Islam.

Abstaining from the use of any questions or linguistics that could be taken against the freedom of speech laws of Jordan was guaranteed initially during the process of designing the instrument in English in the first place. Furthermore, to guarantee the most appropriate translation, the guidelines proposed by Harkness et al. (2010) were followed precisely. Harkness et al. (2010) suggested that in order to successfully achieve the aims of one's research and present a relatively identical data collection instrument translated to the target sample, researchers must adhere to particular guidelines in translation. Firstly, the contents of each and every question must be kept semantically similar. Secondly, the format of the questions must be kept the same, with attention to retaining the measurement of the variables/items used in each question. Thirdly, researchers must maintain the same stimulus and cover letter essence while translating the instrument. Fourthly, the translated text should maintain the same level of formality and language level used in the original text. And lastly, no clarification nor omission should be used in translated text, as that leads to questioning the equivalence.

Furthermore, in order to achieve a translated data collection instrument that satisfies the previously mentioned criteria or guidelines, further recommendations apply. According to Brislin (1970), the method of back translation in cross-cultural research is a suitable approach that is dependent upon a number of factors, such as the difficulty of the language and the content being translated. The sample examined in Brislin's (1970) work showed that back translated research instruments proved more

equivalent to the original text than other methods of translation. Therefore, for the purposes of applying the recommendations of Harkness et al. (2010) and Brislin (1970), three academics in the Department of English and Translation at the University of Petra in Jordan were asked to assist in the translation and back translation of the survey questionnaire used in this thesis. Initially, one of the three academics translated the original text from English to Arabic. Further, the two other academics were asked to translate the Arabic version of the cover letter and questionnaire back into English. Both back translated questionnaires did not have significant differences and were essentially equivalent to the originally designed questionnaire in English. Therefore, after deliberation and very minimal amendments to the Arabic version, an academic from the Department of Arabic at the same institution confirmed the strength and formality of the text, as well as the content and context. Consequently, once the final version of the Arabic cover letter and questionnaire were confirmed, this version was adopted and was subsequently used further in the data collection process as will be discussed in following sections (see Appendix 2).

#### **4.4.3. Validity and reliability**

Validity and reliability are two of the most important concepts in quantitative research that deal with the measurement of the concepts and constructs used in data collection (Singh, 2007). Despite the fact that in survey questionnaires measurements are rarely precise, accuracy in measures can be validated through the comprehensive literature search. According to Singh (2007), validity refers to the process of ensuring that a measure of a concept or the items used to describe a certain variable really measure this particular variable or concept. Furthermore, there are different types of validity in quantitative research. Based on Bryman and

Bell's (2011) classification, there are five types of validity, namely face validity, concurrent validity, predictive validity, construct validity and convergent validity.

Further, the type of validity that is used in this thesis is the construct validity, which by definition means the successful operationalisation of the variables or constructs that represent the phenomenon in question through conducting a comprehensive literature search (Balnaves and Caputi, 2001). This is corroborated by Bryman and Bell (2011) to which they added that in construct validity, the researcher must deduce hypotheses from theory dependent on the relevance of the theory to the concepts. This approach has been followed throughout the literature review process, and the building of the conceptual framework in this thesis (see Chapters 2 and 3).

In addition to ensuring the validity of the items and constructs that define the concepts/variable discussed within the survey questionnaire, it is important to discuss the process by which the reliability of these items is measured. According to Pallant (2013), one the most important aspects of reliability is the internal consistency of the scale or variable. Field (2013) corroborated by stating that the variable's internal consistency means whether the same data collection instrument can be consistently interpreted across different scenarios and situations. Further, according to Bryman and Bell (2011) on the methods commonly used to test the internal consistency of a number of scales or variables, Cronbach's alpha is used to determine whether there is consistency between the items in each scale.

Additionally, Pallant (2013) stated that when tested, the Cronbach's alpha coefficient of a particular variable or scale should be above 0.7, as when computed,

the Cronbach's alpha coefficient will vary between 1 and 0, 1 indicating perfect internal consistency and 0 representing the lack of internal consistency (Bryman and Bell, 2011). This measurement of the reliability of the scales or variables used in the survey questionnaire is discussed in detail in the following chapter. The focus in the next section is on the sampling frame used in choosing the potential respondents for this study, those that are considered of the most suitable fit to answer the enquiry about the role of the multinational in countering terrorism and enhancing security.

#### **4.5. Sampling**

According to Bryman and Bell (2011), sampling is one of the most inevitable issues faced by researchers while conducting quantitative research. While it is essential to select a representative sample especially when collecting data through survey questionnaires or structured interviews, a number of issues should be considered in the process of sampling. Bryman and Bell (2011) also add to clarify the difference between a population and a sample by stating that a population is the greater and wider universe of units from which samples are selected. Whereas the sample, is the segment selected for investigation by which the population is represented. Correspondingly, Saunders et al. (2009) stated that in some types of research, it is possible to collect data from all the subjects within a population dependent on the population's size. However, in most cases the need for selecting a representative sample arises for it might be impractical to survey an entire population and there might be time and budget constraints throughout the study.

Having said that, there are two main types of sampling in quantitative research: probability and non-probability sampling (Kalof et al., 2008). According to Singh

(2007), probability sampling is the essence by which there is probability of chance for every case or unit, in the population to be chosen in the sample. For this purpose, researchers utilise methods of random selection. This could be processed manually if the population's size is relatively small or could be processed using a computer software to randomise and select sample units from the population. Furthermore, Singh (2007) highlights the different types of probability sampling. Accordingly, there are four types of probability sampling; namely, simple random sampling, systematic random sampling, stratified random sampling, and multi-stage cluster sampling. The use of these four types as methods of probability sampling is corroborated across a range of quantitative research methods publications (Bryman and Bell, 2011; Saunders et al., 2009; Balnaves and Caputi, 2001; Kalof et al., 2008).

On the other hand, Balnaves and Caputi (2001) stated that non-probability sampling is commonly used as a sampling method for research that investigates a population that is not easily accessible or quantifiable. Therefore, researchers cannot ensure, unlike in probability sampling, that all units in a population have an equal chance or probability of being selected in the sample. Moreover, to control for this issue in quantitative research, Saunders et al. (2009) highlighted a number of sampling techniques within the non-probability sampling method, which can help researchers overcome sampling problems in inaccessible or unquantifiable populations. According to Saunders et al. (2009), there are five non-probability sampling techniques, namely quota sampling, purposive sampling, snowball sampling, self-selection sampling and convenience sampling.

Subsequently, understanding the population that is best suited to achieve the research aims and objectives, and corresponds to the research questions is the deciding factor in the selection of a particular sampling technique (Bryman and Bell, 2011). Hereinafter, based on the main aim of this thesis, that is to examine the role of Jordanian multinational corporations in countering terrorism and enhancing security, the population is determined as Jordanian multinationals that are active at the time of conducting this research. Furthermore, the sampling frame includes two criteria. Firstly, the firms which will be contacted for data collection must be of Jordanian origin, and secondly, must be active internationally or have been recently involved in foreign activity. In this regard, a further check had been conducted by researching the Amman Chamber of Commerce files and data available online. This check resulted in acquiring the number of all firms registered with the chamber as of March 2016, which is 14437 firms. Of the 14437, there are 14430 local firms of Jordanian origin at the time of registration. Additionally, the chamber had been contacted to provide further details on the foreign activity of those firms and agreed to provide access to a database containing this requested information. Furthermore, after a thorough check throughout the foreign activity database, 3624 firms have had active foreign activity at the time of the check. It is also noteworthy to mention that the database provided by the Amman Chamber of Commerce contains a link for each registered firm which automatically directs to the contact details, comprising of a telephone number, an email address and a postal address.

Having access to such details guides towards the decision to utilise one of the probability sampling techniques as the population and the access to population is available to the researcher. According to Bryman and Bell (2011) and Singh (2007),

simple random sampling is the most basic, yet the most common sampling technique is probability sampling. Within this sampling technique, the researcher is expected to define the population, devise a sampling frame based on a number of criteria that fit the research objectives or questions and then decide the sample size. Afterwards, the units included in the sample frame are given unique case numbers as identifiers, and thereafter a random selection procedure takes place to generate a random sample in line with the sample size chosen earlier (Bryman and Bell, 2011; Saunders et al., 2009). To elaborate, the population of all firms listed in the Amman Chamber of Commerce is 14437, of which 3624 firms fall within the sampling frame and are commensurate with the sampling frame criteria. Further, the sample size chosen for this study is 1200 firms to be contacted for data collection purposes. Using the random selection tool in Microsoft Excel, all 3624 firms were given a case number, through which 1200 firms were chosen randomly to be contacted. Details of the process by which these firms were contacted, the completed responses and the response rate can be found in the following section.

#### **4.6. Data collection process**

This section of the methodology chapter is a descriptive account of the process of the data collection. It includes a detailed account of both the pilot study and the main study. In this regard, prior to contacting the 1200 firms which fit the sampling frame and were randomly selected as explained previously, a notice of intent to contact these firms for data collection purposes was provided. This took place through the assistance of a public relations officer at the Amman Chamber of Commerce. After communicating with the Chamber on multiple occasions, it was decided that the most convenient approach would be to share the purposes of the study through an interactive platform that the Chamber uses for communication with registered firms.



The public relations officer was provided with the list of the 1200 firms and thereafter the summary of this research was passed along. This is in line with the recommendations of Dillman et al. (2014), who states that response rate can be maximised through the process of notifying potential respondents in the sample with the intentions to conduct research prior to supplying them with the survey questionnaire.

#### **4.6.1. Pilot study**

The purpose of conducting a pilot study or as referred to by Colton and Covert (2007) as pretesting or field testing, prior to sending the questionnaire to the identified sample, is to clarify whether this instrument suffers any faults, problems or indeed causes confusion and misunderstanding (Walliman, 2006). The recommendations of Walliman (2006) include issues that had been discussed in the previous section. Those linked to sending a courteous invitation for participation, in which a brief explanation of the purpose of the research is included. Walliman (2006) also recommended notifying the recipients with the amount of time they will spend filling out the questionnaire, as well as the benefits the researcher and the recipient will both be afforded once the study is completed. The same recommendations were followed in both the pilot study and the main study conducted in this thesis. Moreover, Somekh and Lewin (2005) highlight the importance of the pilot study, as it removes any ambiguities or any potential pitfalls that might negatively reflect on the results and therefore the credibility of the research. Additionally, Walliman (2011) stated that the pilot study should be conducted on a limited or small number of potential respondents that fit within the sampling frame chosen, but should not be part of the selected sample for the main study.

Correspondingly, Bryman and Bell (2011) stated that the feedback received from a pilot study integrally contributes to the final design of the questionnaire. It equips the researcher with an overall understanding of the clarity of the instructions and the questions. Considering these recommendations, a hundred potential respondents were chosen from the firms that fell in the sampling frame. These firms were contacted by email following Walliman's (2006) recommendations and a time-line of 30 days was given to anticipate responses. 35 responses were returned fully completed along with written feedback to highlight any issues regarding the questions, the instructions, or the accuracy of the estimated time for completing the questionnaire. This gave the pilot study a response rate of 35%.

Generally, the feedback provided on the clarity of the instructions and questions was positive. However, some respondents highlighted some issues with the wording of the response strategies question, as some of the items needed simplifying. Moreover, they requested a reduction in the number of options in the question regarding the location of their most significant foreign activity. Initially, the options in this question were derived from the list provided by the Global Terrorism Index (2016), through which the top 30 countries prone to terrorism were chosen to be included in this question. However, following the feedback received, the number of options was reduced to 10 and a further option of "other" was added to avoid non-response for this question. Subsequently, a modified final copy of the questionnaire was produced for the purposes of using it in the main study, as will be explained in the following section.

Given that the responses collected through the pilot study are important to avoid any mistakes or pitfalls that might arise later in the main study (Colton and Covert, 2007), it is also an opportunity to test the reliability and equivalence of the scales used in the questionnaire (Cronbach, 1951). These scales or variables, include a number of items that technically provide a definition for the variable and are operationalised in a way to measure and be able to quantify those scales, (Pallant, 2013). Furthermore, sample sizes adequate for testing the reliability of scales can be from 30 cases (Yurdugul, 2008). Additionally, the internal consistency of scales or their reliability, can be measured through the Cronbach's alpha coefficient (Pallant, 2013). However, the acceptable value of the alpha coefficient has been thoroughly debated with a majority agreement that the alpha coefficient should be above 0.7 (Davis, 1964; Nunnally, 1978; Kaplan and Saccuzzo, 1982; Murphy and Davidshofer, 1988). Based on this, the reliability of all scales used in the survey questionnaire was tested based on the pilot sample of 35 responses (see Table 4.1). Firstly, the reliability of the items measuring the dependent variables was tested yielding a Cronbach's alpha coefficient of .818 for direct response strategies, .88 for indirect response strategies, .796 for unilateral response strategies and .886 for collaborative response strategies. Finally, the reliability of the items measuring the independent variables was also tested, yielding a Cronbach's alpha coefficient of .715 for the level of concern, .715 for the primary stakeholders and .849 for secondary stakeholders.

Evidently, the internal consistency coefficient for all scales used in the questionnaire are above the acceptable threshold. This gives a clear indication that the items used

to measure the scale explain the scale effectively, as well as guarantee consistency in the use of these scales in different scenarios or with a different sample.

**Table 4.1: Pilot study reliability of scales**

Scale	Direct	Indirect	Unilateral	Collaborative	Level of concern	Primary Stakeholders	Secondary Stakeholders	Overall
Reliability								
$\alpha$	.818	.88	.796	.886	.715	.715	.894	.957
Number of Items	5	9	3	8	4	6	8	43

#### **4.6.2. Main study**

Following the completion of the pilot study, the feedback provided by the pilot respondents was utilised to make amendments to the survey questionnaire. The final version of the instrument was then checked with a number of academics at both Manchester Metropolitan University in the UK and the University of Petra in Jordan to ensure commensurability between the new version and the newly translated version. Once the checks had been conducted, the main study commenced.

The data collection process for the main study in this thesis spanned across 7 months from the beginning of June, 2016, until the end of December, 2016. While this is a considerably long period of time to complete data collection in cross-sectional research, the nature of the study and the circumstances that surround

having a discussion of a sensitive topic such as terrorism, led to extending the response deadline. Firstly, the process involved the initial letter of intent that was distributed with the assistance of the Amman Chamber of Commerce to all potential respondents within the sample of 1200 firms (see Section 4.5). Secondly, using the recommendations regarding the use of the electronic mail in surveys (Dillman et al., 2014; Walliman, 2011), the survey questionnaire along with the attached covering letter was distributed to all potential respondents. The reason for attaching a covering letter although it is similar to the letter of intent previously distributed, is to remind respondents of the research aims and objectives and to include further instructions on how to fill and return the questionnaire. This is sought in order to maximise the response rate (Bryman and Bell, 2011, Saunders et al., 2009; Dillman, 2007). Finally, three waves of e-mail reminders were conducted to maximise the response rate.

To elaborate, all potential respondents within the sample of 1200 firms were contacted via e-mail to complete the survey at the beginning of June, 2016. One month after this first contact, 48 completed questionnaires were returned giving a response rate of 4%. Subsequently, a reminder e-mail was sent to all potential respondents that included a note of gratitude to those who had already completed and returned the survey questionnaire, and a gentle reminder to the firms that were yet to complete the survey. Two months after the first wave of reminders, 62 more completed responses were returned, increasing the response rate to 9% in total. However, as the need to the maximise response rate had risen, a second wave of reminders was initiated at the beginning of September, 2016, which also included a note of gratitude and a gentle reminder. Further, the second wave of reminders

resulted in an additional 54 returned responses, increasing the response rate to 14% recorded at the beginning of November, 2016. Finally, the last and final wave of reminders was administered, which resulted in 60 further returned responses recorded at the end of December. This yielded a total of 224 returned responses, with an overall response rate of 19%. However, the process of pre-checking the completion rate of returned questionnaires resulted in excluding 11 questionnaires, reducing the number of total complete responses to 213 and subsequently the response rate to 18% (see Table 4.2).

**Table 4.2: Main study responses and response rate**

<b>Mode</b>	<b>Electronic Mail</b>	<b>Total</b>
<b>Action</b>		
<b>Distributed questionnaires</b>	1200	1200
<b>Initial responses</b>	48	48
<b>Responses after the 1<sup>st</sup> wave of reminders</b>	62	110
<b>Responses after the 2<sup>nd</sup> wave of reminders</b>	54	164
<b>Responses after the 3<sup>rd</sup> wave of reminders</b>	60	224
<b>Rejected non-complete questionnaires</b>	11	213
<b>Accepted complete questionnaires</b>	<b>213</b>	
<b>Response rate</b>	<b>18%</b>	

However, a number of responses of the total 213 completed questionnaires was excluded from the analysis. The reason behind which is linked to the job title of the respondents. To elaborate, in the questionnaire one of the questions in the first section regarding the general information of the firm asks the respondent to clarify

their job title. This was later used in the analysis to include only the completed responses from members of the top management team of the firm or members of the support services that hold managerial roles. This process led to a reduction of the number of accepted questionnaires of 176, yielding an overall response rate of 15%. All 176 responses were used in the data analysis, which will be discussed briefly in the following section and in detail in the following chapter.

#### **4.7. Data analysis**

In this section of the methodology chapter, a brief discussion of the methods that will be utilised in analysing the data collected will be presented. Based on the data collection process described earlier, there is a need to analyse this data in order to form a thorough understanding of the relationships between variables and how these relationships will contribute to achieving the research aims and objectives (Bryman and Bell, 2011). According to Saunders et al. (2009), quantitative data in its original raw form does not convey sufficient meaning and understanding. It is only once processed or analysed, that data becomes useful and makes sense to the researcher and the wider audience. Furthermore, there is a need to identify an analysis tool that will be suitable to examine the relationship between the variables presented in this thesis and operationalised for use in the survey questionnaire. In this regard, following the recommendations of Field (2013) and Pallant (2013), it was decided that the software IBM SPSS 24 (Statistical Package for Social Sciences), will be used throughout the data analysis process.

However, before beginning to analyse the data, a few steps need to be taken into consideration. Pallant (2013) recommends that all variables be coded, given labels and differentiated in type. In this regard, while the data gathered from respondents

was being entered in SPSS for analysis purposes, all variables were given unique codes, identifiable labels and were type differentiated. This means that some variables were interval or ratio variables, such as firms' age or the questions including a 7-point Likert scale, while other variables were categorical or nominal variables, such as the type of industry the firm operates within. Finally, some variables were dichotomous, such as the question related to firms being affected by terrorism.

Moreover, prior to analysing the data, once variables have been coded and the raw data have been inserted into the software, it is important to look for any missing data (Bryman and Bell, 2011; Singh, 2007). According to Field (2013), missing values or missing data can be the result of either a long questionnaire, where participants might miss out on some of the questions, or it could be because participants failed to understand the question. This has been controlled for based on the pilot study conducted earlier. However, some of the completed questionnaires or cases had very few missing data in various sections of the survey. For this reason, none of the cases were excluded based on the missing values and a Maximum Likelihood Estimation (MLE) technique was applied to impute data. According to Singh (2007), the use of the MLE through the Expectation Maximisation (EM) algorithm in SPSS is the most commonly used data imputation method. The estimation provided through EM is considered better than other methods of imputation, such as multiple regression, as it does not utilise statistical assumptions. However, the data imputation process was not implemented on cases that had significant missing values.



To elaborate, as discussed in the previous section regarding the data collection for the main study, 11 cases or responses were rejected during the process for being incomplete or the missing values in each case had pernicious impact on the usability of the case. In this regard, the 11 excluded cases had missing values that fell within the first two sections of the questionnaire, those that are linked to firms' size, age, industry and foreign activity. These variables, as mentioned in section 4.4.1, will be used as control variables and are significant to the analysis. Further, only four cases with no more than three missing values per case were identified and these missing values were later estimated using the EM algorithm method through SPSS.

Another issue linked directly to excluding cases, as mentioned in the previous section, was that of 37 cases that were completed by staff members of the firms in the sample that did not fit the criteria of the respondent. Those 37 questionnaires were not completed by a member with managerial duties and therefore were excluded, decreasing the number of usable cases to 176. This was conducted through a frequency analysis to identify the cases, since the question was coded as a nominal variable and included three distinct categories, where 1= Top management, 2= Administrative with managerial roles and 3= Administrative and support services. In this regard, all 37 cases were identified through the frequency analysis, where all those with the category number 3 were excluded from the analysis.

#### **4.7.1. Descriptive analysis**

According to Singh (2007), statistical analysis methods can be classified into either descriptive or inferential statistics. While descriptive statistics are mainly utilised to provide a descriptive summary or an explanation of a certain dataset, inferential

statistics, as the name suggests, are computations that assist in making inferences regarding a specific sample, which is linked to the population from which it derived. Further, Singh (2007) stated that descriptive statistics can be of univariate, bivariate or multivariate nature. On the contrary, inferential statistics are linked to the process of estimation, and testing the difference of means.

In regards to the univariate analysis in descriptive statistics, Bryman and Bell (2011) suggested that it refers to analysing one variable at one point in time. This could be conducted through either frequency tables, diagrams and graphs, measures of central tendency and measures of dispersion (see Chapter 5). Furthermore, the second type of descriptive analysis is the bivariate analysis, by which relationships between two variables can be tested. According to Bryman and Bell (2011), there are a number of techniques by which a bivariate analysis can be conducted to establish whether there are any relationships between variables. These techniques are Pearson's  $r$ , Spearman's  $\rho$  and Phi and Cramer's  $V$ , which will be discussed in the following section.

Additionally, descriptive statistics include the multivariate analysis (Bryman and Bell, 2011; Singh, 2007). According to Walliman (2006), multivariate analysis provides a similar result to the bivariate analysis, in which the test determines whether there is a relationship between two or more variables. However, Walliman (2006) suggested that through the multivariate analysis methods, such as regression analysis, researchers can determine whether the resulting relationship between variables indicates causation, through the statistical significance set by the researcher at the beginning of the analysis (see Section 4.7.3). Correspondingly, the analysis

methods and techniques mentioned here will be applied on the data that was collected in this thesis.

#### **4.7.2. Correlation**

According to Pallant (2013), correlation analysis is a useful tool by which the strength and the direction of the linear relationship between two variables is described. Further, as mentioned earlier, there are three tests or techniques whereby univariate correlation can be examined. Those are, according to Bryman and Bell (2011) and Pallant (2013), Pearson product-moment correlation coefficient ( $r$ ), Spearman rank order correlation ( $\rho$ ) and Phi and Cramer's V. However, for the purposes of conducting a correlation analysis on the available data, Pearson's  $r$  is the most suitable technique for this analysis based on the type of variables being analysed, as Pallant (2013) stated that Pearson's  $r$  is designed to test the relationship between either interval variables or between interval variables and dichotomous variables. Furthermore, according to Colton and Covert (2007) and Bryman and Bell (2011), once the test is conducted, the correlation coefficient's value will be between 0 and 1. Field (2013) suggests that a value of 0 indicates that there is no relationship between the two variables being analysed and a value of 1 indicates a perfect relationship. Moreover, Bryman and Bell (2011) suggested that the result does not appear in absolute terms, meaning that a negative coefficient still indicates a relationship; however, this relationship is inverted, while a positive coefficient indicates a positive linear relationship. Finally, Pallant (2013) stated that the closer the coefficient to 1, the stronger the relationship and vice versa. The correlation analysis will be presented in detail in the next chapter, while a discussion of the results will be presented in Chapter 6.

#### **4.7.3. Regression analysis**

Regression analysis is one of the most conventionally utilised multi-factor data analysis techniques (Montgomery et al., 2012; Hair et al., 1995). It enables researchers to examine and assess the relationship between one dependent variable, and various independent variables (Tabachnick and Fidell, 2013). According to Tabachnick and Fidell (2013), regression analysis is most suitable for research questions that seek to investigate the relationship between dependent and independent variables. This, in particular, is extremely essential to the progress and the actualisation of this thesis. In this regard, the main aims, objectives, and research questions seek to examine and unveil the relationship, or the extent to which factors such as stakeholders' pressures, firm size, firm age or firm's foreign activity in terrorism prone locations are linked to the likelihood of those firms implementing certain response strategies. This, in fact, is what the regression analysis is able to convey through examining the relationships between the aforementioned factors, and therefore is deemed appropriate for this study for it unveils the relational ambiguity between dependent and independent variables in regards to the cause and effect (Somekh and Lewin, 2005).

Correspondingly, Pallant (2013) identified three major types of multiple regression; the standard or simultaneous type, the hierarchical or sequential type and the stepwise type. It is also noteworthy to refer to the regression analysis used in this thesis as multiple regression, although the terms are used interchangeably. In terms of the different types of multiple regression, the standard or simultaneous multiple regression is the most suitable for the analysis in this thesis. The reason behind

which is that in standard multiple regression, all the factors or independent variables are entered into the equation or the model, simultaneously. This allows for evaluating the predictive power of each variable, while assessing the explained variance by each independent variable towards the dependent variable (Pallant, 2013). Furthermore, according to Hair et al. (1995), the basic assumption in the standard multiple regression is linearity, as the equation or model possesses the properties of additivity and homogeneity.

#### **4.7.3.1. Assumptions of multiple regression**

According to Pallant (2013), there are a number of assumptions that cannot be violated when conducting a multiple regression analysis on a dataset. These assumptions are related to the sample size, the multicollinearity and singularity amongst independent variables, data outliers and the normality of the data. In regards to the sample size, the main issue that arises of whether the size of a particular sample is appropriate for the multiple regression analysis is generalisability. This means that larger samples can yield stronger and generalisable results that can be repeated with other samples. According to Field (2013), there exists a debate on the appropriate sample size to conduct a multiple regression analysis. This debate is linked to the number of independent variables or predictors in the study, and the number of cases assigned to each variable. However, the most common rule states that there should be 10 or 15 cases of data for each independent variable in the study (Field, 2013). Correspondingly, Tabachnick and Fidell (2013) provide a formula to calculate the appropriate sample size based on the number of independent variables. This formula consists of

multiplying 8 by the number of independent variables and then adding 50 to the outcome. The result of the equation should be less than the sample size.

$$N > 50 + 8m \text{ (where } m \text{ is the number of independent variables)}$$

This formula, once applied on the sample size in this thesis, gives a result of 106 cases, which is less than the 176 available cases of data. Given that there are 7 independent variables (primary stakeholders, secondary stakeholders, level of concern, being affected by terrorism, foreign activity in terrorism prone locations, firm size and firm age), the formula is applied as follows:

$$176 > 50 + 8 \times 7$$

In this regard, all three rules, including the formula, can be applied to this thesis and will not cause any issues to the assumptions of the multiple regression model. As whether it is decided to apply the rule of 10 cases per independent variable, the required number of cases is 70, which is less than the available 176. Likewise, if it is decided to have 15 cases per independent variable, the total number of cases required will be 105, which is also less than the available 176 cases. However, for the purposes of assuring the assumptions are met, the previously mentioned formula will be used.

Another important assumption of multiple regression is the multicollinearity and singularity. According to Pallant (2013), multicollinearity exists when there is high correlation between independent variables, while singularity is found when an independent variable is a combination of other independent variables. Furthermore, Tabachnik and Fidell (2013) stated that collinearity can be detected when the correlation coefficient ( $r$ ) between independent variables is .9 or higher, while a correlation coefficient of 1 shows extreme collinearity. However, there are other

measures to check the presence of collinearity or multicollinearity. In this regard, Hair et al. (2006) stated that the Variance Inflation Factor (VIF) is one of the common measures to detect collinearity. According to Hair et al. (2006), the VIF and its inverse, the tolerance value, are used accordingly, by which a low tolerance value of .1 or below or a VIF value of 10 and above are signs of high collinearity, which in turn raises questions about the strength and reliability of the regression model. Therefore, these checks are conducted to ensure that the multiple regression assumptions are met (see Chapter 5).

Besides, the penultimate assumption of multiple regression analysis is the screening for outliers. Pallant (2013) suggested that multiple regression is sensitive to cases with very high or very low scores, as outliers can have an effect on the estimated regression coefficients (Field, 2013). Therefore, as suggested by Pallant (2013), a complete screening of all the variables, whether dependent or independent, will help identify the outliers. The cases identified as outliers can then either be deleted from the set or alternatively, allocated a lower score for these particularly high-score variables that is not extremely different from the rest of the scores cluster. Further details on outliers and excluded cases will be discussed in the following chapter.

Lastly, the final assumption of multiple regression analysis is the assumption of normality (Pallant, 2013). According to Singh (2007), the normality of variables within a study is one of the key assumptions in the multiple regression statistical technique. It is “the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution, the benchmark for statistical

methods” (Hair et al., 1995, p. 64). In this regard, Tabachnik and Fidell (2013), and Pallant (2013) suggested that examining the residuals scatterplots generated through SPSS while analysing the data provides details on the assumption of normality. Furthermore, there are a number of statistical tests that can be applied to examine the normality of variables. According to Singh (2007), tests such as the Shapiro-Wilks or the Kolmogorov-Smirnov provide assessment of the assumption of normality. For the purposes of assessing normality in this thesis, a Kolmogorov-Smirnov test will be applied through SPSS in order to assess the deviation of variables distribution from normal distribution (see Chapter 5).

#### **4.8. Summary of the chapter**

In this chapter, the methodology guiding the thesis to examine the role of Jordanian multinationals in countering terrorism and enhancing security was discussed. Of the two approaches, qualitative and quantitative research, it was decided that an objective, quantitative approach would best serve the purposes of achieving the research aims and objectives. Furthermore, while conducting a thorough analysis on the most appropriate quantitative method to adopt, the decision to use the survey method was made. In this regard, based on the circumstances discussed earlier in this chapter regarding the literature and data collection instruments popular in CSR and stakeholder research, a questionnaire was designed that enables the researcher to answer the research questions and examine the proposed relationships between variables.

Additionally, this chapter provided a brief discussion of the data analysis methods and approaches to be utilised in this thesis. A range of descriptive analysis techniques, as well as multivariate techniques were discussed, through which a



multiple regression analysis will be the main statistical technique to examine the hypotheses and provide results sufficient to answer the research questions.

In the following chapter, a detailed analysis of the collected data, ranging from pre-tests, descriptive statistics, correlation and multiple regression, will be presented.

## **Chapter 5: Results and Analysis**

### **5.1. Introduction**

In this chapter, an application of the methodological issues and techniques discussed in Chapter 4 will be presented. This will include a variety of techniques and the data collected will be transformed to be appropriate for the analysis. Initially, a number of the assumptions that were discussed earlier regarding the multiple regression analysis will be checked, those that are linked to data imputation for missing values, sample size, normality, outliers and the sampling bias. Furthermore, descriptive, univariate statistics of all the variables in the study will also be presented, followed by a bivariate correlation analysis.

Moreover, this chapter will also present the findings of the multiple regression analysis that is key to testing the proposed hypotheses and answering the research questions. This will be presented along with a multicollinearity check and the hypotheses testing table.

### **5.2. Data transformation**

#### **5.2.1. Missing values**

As mentioned in Section 4.7, incurring missing values in social surveys and questionnaires is an inevitability (Saunders et al., 2009). In this regard, through the initial screening of the 224 responses received, 11 cases were excluded based on the severity of the missing values in every case. A further check of the remaining 213 cases resulted in identifying four cases with less than three missing values. For the purposes of including these cases in the analysis, a Maximum Likelihood Estimation technique had been applied through the use of the Expectation

Maximisation Algorithm in SPSS (Singh, 2007). This data imputation process resulted in a complete dataset of 213 cases that at this point were deemed usable for the analysis. Further exclusion of 37 completed responses was a result of the pre-checks made to the question relating to the position held by the respondent in the firm, leaving 176 cases appropriate for further pre-tests as the following section will present.

### **5.2.2. Pre-tests**

The importance of conducting a set of pre-tests lies in ensuring the basic assumptions regarding the multiple regression analysis are met (Hair et al., 1995). These assumptions were highlighted in Section 4.7.3.1 in the previous chapter. In this regard, the recommendations by Field (2013), Pallant (2013) and Tabachnik and Fidell (2013) were applied to the dataset to ensure the data meets these assumptions of sample size, normality, controlling for outliers and testing for a sampling bias.

#### **5.2.2.1. Sample size**

Prior to conducting an outlier analysis, the data consisted of 176 valid responses/cases based on the completion factor and the job title of the respondents. However, in order to abide by the rules of thumb established by various scholars, the appropriate sample size for multiple regression analysis needs to be calculated. According to Pallant (2013) and Field (2013), there is a debate on the appropriate number of cases required for each independent variable for the regression analysis to be valid. Hair et al. (1995) suggested that there is a minimum requirement of five cases per independent variable, whereas Stevens (1996) suggested that a number of 15 cases per independent variable ensures the reliability of the regression

equation. Correspondingly, Tabachnik and Fidell (2013), suggested applying a formula that yields the appropriate number of cases required for the analysis based on the number of independent variables in the study. Accordingly, the number of cases required for a valid regression analysis in this study should be 106 cases or above, which is covered by the available 176 cases in the dataset (see Section 4.7.3.1).

#### **5.2.2.2. Normality**

According to previous inferences regarding the assumptions around multiple regression analysis, testing the normality of the data is an essential procedure (Tabachnik and Fidell, 2013). This has been tested through creating the normal probability plot (P-P) of the regression standardised residual and the residuals scatterplot for the independent variables on SPSS as suggested by Pallant (2013). Furthermore, while checking for normality of the dataset, a number of variables were identified as non-normal. In this regard, the recommendations by Pallant (2013) in variable transformation were followed. According to Pallant (2013), it is acceptable to mathematically modify the scores of certain variables to achieve normality. This can be done through a different set of mathematical applications depending on the shape of the data distribution. Further, Pallant (2013) suggested that researchers can either calculate the square root, the logarithm or other calculations to transform the affected variables. Following these recommendations, some variables were transformed accordingly for further use in the regression analysis. A list of all transformed variables is available in Appendix 4.

### **5.2.2.3. Outliers**

As part of the initial data screening suggested by Pallant (2013), extreme scores (very high or very low) can be incurred in all types of variables, namely dependent, independent or control variables. Correspondingly, outliers or extreme scores that can bias the parameter estimate (Field, 2013), can either be deleted from the dataset or can be given a score for the affected variable that is either high or low depending on the cluster of scores. This will help reduce the bias, while keeping the data within the same cluster of overall parameters (Pallant, 2013). Moreover, identifying outliers is important for a number of reasons. Firstly, the identification process assists in deciding whether the response/case is part of the sample. Secondly, if the option to modify rather than delete was chosen, identifying outliers helps in recognising which scores to modify. Lastly, it gives an indication of the cases to which the results do not generalise (Tabachnik and Fidell, 2013).

There are, however, a number of ways to detect outliers or influential observation within data. According to Tabachnik and Fidell (2013), an initial check for data entry errors is essential. Further, obvious outliers can be detected through the creation of scatterplots and histograms for every variable. Commensurate with this recommendation, while having ensured there were no data entry errors, further checks through a graphic representation of the variables were implemented, whereby 9 cases were identified that contain outliers that were substantially different from the overall cluster of scores. These cases were deleted following the recommendations of Pallant (2013) as the sample size remained unaffected and was deemed sufficient for running the regression analysis.

Subsequently, another suggested method to detect extreme influential cases was applied. Pallant (2013) and Tabachnick and Fidell (2013) suggested detecting outliers by inspecting the Mahalanobis distances that are produced by the multiple regression analysis on SPSS. Depending on the number of degrees of freedom (independent variables), the critical chi-square value for the four regression models was 24.322 (Tabachnik and Fidell, 2013, p. 952). Further, once all four regression models were produced, the maximum values in the Mahalanobis distances were checked. Two cases were further identified as outliers, and therefore deleted. To summarise, the initial regression analysis and data checks resulted in the removal of 11 cases in total. This left a sample of 165 cases/responses that will be utilised for running the multivariate analysis crucial for achieving the aims and objectives in this thesis. A table including the deleted cases is available in Appendix 4.

#### **5.2.2.4. Sampling bias**

Sampling is an important constituent of data collection. Therefore, without a sample that represents the population, generalising the results can be challenging and in most times invalid, (Kalof et al., 2008). A bias in sampling is referred to as the difference between what is observed in a sample and what would have been observed if the data was collected from the entire population. Moreover, since the technique of probability sampling was implemented for this study, it allows for generalisation to the population; however, the issue of bias should be taken into consideration as it removes the element of volunteering to participate and thus, the sampling could be considered biased. Correspondingly, sampling bias can be referred to as non-response bias. According to Armstrong and Overton (1977), to control for the issue of non-response it is possible to estimate the effects of non-response using a number of methods or techniques. Armstrong and Overton (1977)

suggested that the method of extrapolation helps in estimating the effect of non-response and removes the bias. They stated that non-respondents in this case can be the subjects in the sample that respond less readily or those that require waves of reminders.

Furthermore, as discussed in Section 4.6.1, the data collection for this study involved the initial distribution of the questionnaire, followed by three waves of reminders, all of which resulted in a gradual increase in the accumulated number of responses. Therefore, to be able to determine whether the data was biased, the extrapolation method consisting of conducting a t-test to compare early and later respondents was implemented corresponding to previous studies in the field (Oetzel and Getz, 2012; Park et al., 2014; Park and Ghauri, 2015). Early respondents consisted of the first 48 responses received after the initial distribution of the questionnaire and the late respondents consisted of the last 60 responses received after the final wave of reminders. No significant differences were found between the two categories, which indicates the absence of sampling or non-response bias. The sample t-test results are available in Appendix 5.

#### **5.2.2.5. Common method bias**

One of the main sources of measurement error is common method bias. Referred to as common method variance, Podsakoff et al. (2003) stated that it is attributable to the measurement method rather than to the constructs the measures represent. Further, common method variance occurs when the same method is utilised to measure correlations between variables (Schwartz et al., 2008). In this regard, potential causes of method bias or variance can be related to, amongst other

causes, item or question ambiguity, social desirability of respondents or the negative/positive wording of the questions. However, Podsakoff et al. (2003) suggested a number of remedies implemented prior to the distribution of the social survey to minimise the effect of common method variance. These could be linked to, firstly, obtaining the measurement items of scales from various sources, which has been the case of this study (see Chapter 3). Secondly, common method bias can be avoided by protecting respondents' anonymity and reducing evaluation pressures. This has been followed and communicated through the initial correspondence with firms in the sample and reiterated through the cover letter attached to the survey questionnaire. And finally, by defining ambiguous or unfamiliar terms, simplifying questions and carefully selecting the items representing constructs, the overall use of scales can be improved and therefore reduce common method bias.

Consequently, once all these recommended steps have been fulfilled, the data collected can be checked for common method variance using a number of statistical techniques; however, commensurate with studies in the field of CSR, stakeholder theory and the study of the behaviour of multinationals in situations of conflict and terror (Oetzel and Getz, 2012), Herman's single factor test was implemented in this study. Using the exploratory factor analysis function in SPSS, all the variables in this study were loaded into one single factor with restrictions on rotation. The first four factors had Eigenvalues greater than 1.0, with all four factors collectively explaining 79.3% of the variance. The first factor accounted for only 43.3% of the variance. This based on the recommendations of Podsakoff et al. (2003) is less than the upper threshold of 50% and therefore, suggests that common method bias is



not a problem in this data. The Harman's single factor test table is available in Appendix 6.

### **5.3. Descriptive statistics**

This section provides a description of the binary and nominal variables in the study. As mentioned in Section 4.7.1, it is imperative to provide a clear description and univariate analysis of the variables in every study. This consists of displaying frequencies and percentages of the characteristic of respondents or the unit of analysis, and provides a review of how the values or categories in each variable are distributed in the sample (Singh, 2007). Accordingly, all the pre-tests explained earlier in this chapter formed a clear indication that the sample is suitable for the chosen multivariate analysis. However, performing a univariate descriptive analysis provides context to the firm and its characteristics, some variables of which, such as the size, the age and the location of foreign activity, are vital in testing the proposed hypotheses and in achieving the research aims and objectives.

#### **5.3.1. Firm age**

Commensurate with the pre-tests and the outlier check that was conducted earlier, a total of 165 responses were included in the univariate, bivariate and multivariate analysis. In this regard and based on the 165 responses, two firms were categorised as young constituting 1.2% of the sample, meaning they were established no more than 15 years prior to being contacted for participation in the survey. Further, 96 firms constituting 58.2% of the sample were categorised as mature, meaning they were established between 15 and 30 years prior to being contacted to

participate in the survey. Additionally, 67 firms constituting 40.6% of the sample were categorised as old, as they were established more than 30 years prior to being contacted in the data collection process.

**Table 5.1: Firm age**

<b>Age category</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Young</b>	2	1.2%	1.2%
<b>Mature</b>	96	58.2	59.4%
<b>Old</b>	67	40.6	100%
<b>Total</b>	165	100%	

### **5.3.2. Headquarter location**

The location of respondents' headquarters was an important factor in response inclusion. As mentioned earlier in Section 4.5, the sampling process consisted of choosing a sampling frame that would eventually include multinational corporations with Jordanian origins. That means that the unit of analysis or the firm, have their headquarters located in Jordan as the main hub for their firm regardless of any outward foreign partnerships or activity. That being said, the initial screening of the completed responses included checking this variable for commensurability issues with the sampling frame. No firms were identified to have had their headquarters outside Jordan at the time of the data collection process. However, to ensure all respondents fit within the sampling frame, a further frequency test after conducting the pre-tests and the exclusion of outliers resulted in the following. Out of the 165 responses, all firms' headquarters were located in Jordan, constituting 100% of the sample.

**Table 5.2: Headquarters location**

<b>Headquarters location</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Inside Jordan</b>	165	100%	100%
<b>Outside Jordan</b>	0	0%	100%
<b>Total</b>	165	100%	

### **5.3.3. Firm size**

As one of the control variables, the size of firms in the sample is an important factor in examining their implementation of response strategies to counter terrorism and enhance the overall national security. In this regard, respondents were asked to declare the number of employees in their firm, which was later categorised for the purposes of the analysis into four different categories. Since the number of employees was used as a measure to determine the size of the firm, the four chosen categories were commensurate with the classification provided by the OECD (2005). The first category was the micro firm, which has less than 10 employees.

However, the frequency analysis shows that none of the respondents in the sample had less than 10 employees, meaning there were no micro firms in the sample of 165 responses. The second category was the small firm, these are usually firms that have between 10 and 49 employees. Therefore, based on the 165 responses only three firms were small, constituting 1.8% of the sample. Further, the third category was the medium firm, which usually have between 50 and 249 employees. In the sample of 165, 43 firms were classed as medium, constituting 27.9% of the whole sample. The last category was the large firm, those which usually have more than

250 employees. In the sample of 165, 119 firms were classed as large, constituting the largest proportion at 72.1% of the whole sample.

**Table 5.3: Firm size**

<b>Size category</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Micro</b>	0	0%	0%
<b>Small</b>	3	1.8%	1.8%
<b>Medium</b>	43	26.1%	27.9%
<b>Large</b>	119	72.1%	100%
<b>Total</b>	165	100%	

#### **5.3.4. Industry**

The general information section in the questionnaire included a number of questions regarding the firm's characteristics (Section 4.4.1). One of the important questions that is used to cluster the respondents was the industry in which the firm operated. In this regard, a number of industries were suggested as options in accordance with the clustering of Oetzel and Getz (2012). These categories were extracted from the United Nations Global Compact's (UNGC) (2016) webpage. Correspondingly, the frequency test shows a balance between manufacturing and services. Manufacturing industries such as construction and materials, chemicals, personal and household goods, industrial goods, oil and gas, automobiles and parts, and basic resources, dominated the sample of respondents 120 cases yielding a cumulative percentage of 72.7%. While the service industries accumulated 27.3% with 40 cases.

**Table 5.4: Industry**

<b>Industry</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Automobiles and parts</b>	1	0.6%	0.6%
<b>Basic resources</b>	1	0.6%	1.2%
<b>Banks and financial services</b>	16	9.7%	10.9%
<b>Construction and materials</b>	42	25.5%	36.4%
<b>Chemicals</b>	28	17%	53.3%
<b>Food and beverage</b>	1	0.6%	53.9%
<b>Healthcare</b>	0	0%	53.9%
<b>Industrial goods</b>	14	8.5%	62.4%
<b>Insurance</b>	2	1.2%	63.6%
<b>Media</b>	1	0.6%	64.2%
<b>Oil and gas</b>	13	7.9%	72.1%
<b>Personal and household goods</b>	21	12.7%	84.8%
<b>Real estate</b>	0	0%	84.8%
<b>Retail</b>	10	6.1%	90.9%
<b>Telecommunications</b>	9	5.5%	96.4%
<b>Technology</b>	5	3%	99.4%
<b>Travel and leisure</b>	0	0%	99.4%
<b>Utilities</b>	1	0.6%	100%
<b>Total</b>	165	100%	

#### **5.3.5. Position of respondent**

As outlined in Chapter 4, Section 4.6.1, it was important to verify the role of the respondent and whether it involved any managerial responsibilities within their firm. This was crucial as the different types and subtypes of response strategies included in the questionnaire and upon which the essence of this thesis is built, needed the understanding of personnel that are expected to come across such practices and strategies while performing their duties. Moreover, an inside knowledge of firms' strategy requires involvement in managerial roles, especially when projecting that stakeholders' pressures induce the implementation of strategies as such. In this regard, a number of responses were rejected at the initial screening for being completed by members of staff with no managerial responsibilities. However, it was deemed important to conduct a frequency check to ensure the sample consisted of responses from either members of the top management level in any given firm, or other members with administrative and managerial roles. Therefore, based on the 165 responses, 88 cases were completed by members of the top management level of the responding firms, constituting 53.3% of the overall sample. Additionally, 77 cases were completed by administrative staff with managerial roles, constituting 46.7% of the overall sample.

**Table 5.5: Position of respondent**

<b>Position of respondent</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Top management</b>	88	53.3%	53.3
<b>Administrative with a managerial role</b>	77	46.7%	100%
<b>Administrative without a managerial role</b>	0	0%	100%
<b>Total</b>	165	100%	

#### **5.3.6. Type of foreign activity**

Defined as corporations that own or control goods and services in at least one other territory than their home country (Forsgren, 2008), multinational corporation or the multinational enterprise can become international by operating one of the forms of internationalisation. Shenkar et al. (2014) stated that a firm becomes a multinational if they owned more than 50% of an international subsidiary, formed a joint venture (with or without equity) with another firm in a host country, formed a partnership or a cooperation or if only simply exported their goods beyond their home countries' borders. Furthermore, for reasons discussed in Chapters 2 and 3, the Jordanian multinational was chosen to be the unit of analysis in this thesis. Therefore, to ensure that all respondents in the sample still had an ongoing foreign activity, they were asked to state the nature or form, or their most significant international activity. Although the database provided by the Amman Chamber of Commerce stated whether firms in the population had a foreign activity, this was taken as a measure of ensuring the recorded activity in the database still existed.

In this regard, based on the 165 responses, 131 cases stated that they own and control international subsidiaries, constituting 79.4% of the overall sample. Further, two firms stated they are part of a joint venture with equity, while one firm operated a joint venture without equity. These firms constituted 1.2% and 0.6% of the overall sample respectively. Additionally, 18 firms stated they have formed international partnerships, while two firms stated they are part of a cooperation. These firms constituted 10.9% and 1.2% of the overall sample respectively. Finally, 11 firms declared that they perform the simplest form of internationalisation by exporting their goods to other countries, forming 6.7% of the overall sample.

**Table 5.6: Type of foreign activity**

<b>Foreign activity category</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Subsidiary</b>	131	79.4%	79.4%
<b>Joint venture with equity</b>	2	1.2%	80.6%
<b>Joint venture without equity</b>	1	0.6%	81.2%
<b>Partnership</b>	18	10.9	92.1%
<b>Cooperation</b>	2	1.2%	93.3%
<b>Export</b>	11	6.7%	100%
<b>Total</b>	165	100%	

### **5.3.7. Foreign activity in terrorism-prone location**

For the purposes of identifying whether or not firms in the sample operated in terrorism-prone locations, a list of the top 10 countries affected by terrorism based on the numbers of incidents in the last 15 years was included in the questionnaire.



This list was provided by the Global Terrorism Index (GTI) (2016), which is a database compiled by the Institute for Economics and Peace on an annual basis. The database includes information regarding the number of incidents in each country and the extent of the collateral damage (tangible assets, loss of life and injuries) caused by terrorism. Therefore, based on the 165 responses, 86 cases were identified as those operating in terrorism-prone locations outside Jordan, constituting 52.1% of the overall sample. Whereas, 79 respondents stated they operated in locations other than those in the list of options, constituting 47.9% of the overall sample.

**Table 5.7: Foreign activity in terrorism-prone locations**

<b>Terrorism prone location</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Yes</b>	86	52.1%	52.1%
<b>No</b>	79	47.9%	100%
<b>Total</b>	165	100%	

### **5.3.8. Exposure to terrorism**

Determining whether firms in the sample were exposed to the impact of terrorism constitutes an integral part of the multiple regression analysis. This is due to using the variable “exposure to terrorism” as a control variable, which will aid in examining and explaining the characteristics of firms that would implement response strategies to counter terrorism and enhance the overall national security. In this regard, respondents were asked to state whether their firm was directly or indirectly impacted by terrorism incidents, with clear reference to the Amman Hotel Bombings

that occurred in November, 2005. Based on the 165 responses, 95 cases stated that they had experienced an impact induced by a terrorism incident in the past, constituting 57.6% of the overall sample. Whereas, 70 other cases stated that no impact was felt due to a terrorism incident in the past. These constituted 42.4% of the overall sample.

**Table 5.8: Exposure to terrorism**

<b>Exposed to terrorism</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b>Yes</b>	95	57.6%	57.6%
<b>No</b>	70	42.4%	100%
<b>Total</b>	165	100%	

This descriptive, univariate analysis of the variables/questions that were included in the survey questionnaire helps in forming a general idea about the characteristics of the respondents in the sample. It allows for further investigation beyond the research objectives and questions. However, some of these variables such as the industry and the type of foreign activity, will not be used in the multiple regression analysis and were collected as part of identifying the characteristics of the responding firm. In the concluding chapter of this thesis, a detailed explanation of the future research prospects that these variables and data could be beneficial for will be discussed.

In the following section, a bivariate analysis of the correlation between the constructed dependent and independent variables will be presented followed by the results of the multiple regression analysis and the hypotheses testing process.

These upcoming sections of this chapter are crucial for the examination of the research objectives and questions and will yield important results in this respect.

#### **5.4. Correlation analysis and multicollinearity**

As described in the previous chapter in Section 4.7.2, a correlation analysis as a bivariate analysis tool is used to indicate the strength and direction of the linear relationship between two variables (Pallant, 2013). It is also a useful tool to predict multicollinearity in regression models. Furthermore, the interpretation of Pearson's product-moment correlation coefficient " $r$ " helps in understanding the strength and direction of these relationships. According to Cohen (1992), the significance of the product-moment " $r$ " is determined by the effect size of the coefficient. Cohen (1992) stated that coefficients that are higher than 0.1 and are below 0.3 are considered to have a small effect size. Whereas coefficients that are higher than 0.3 and are below 0.5 are considered to have a medium effect size. Moreover, large effect size is determined when any coefficient with a value higher than 0.5 and below 1.0 is present in the correlation analysis.

Based on these interpretations, a correlation matrix was produced using SPSS (see Table 5.9), where all the variables whether dependent or independent, used in the analysis were included. The reason for including all the variables is that a correlation analysis measures the association between any two variables at a certain point in time with no distinction necessary between dependent and independent variables (Tabachnik and Fidell, 2013). ). Additionally, in the correlation matrix presented in Table 5.9, none of the condition indexes exceeded the value of 0.9 in more than one coefficient. In this respect, the highest value for a correlation coefficient was .894.

Therefore, multicollinearity does not seem to constitute an issue in this study and all the values are within the accepted thresholds.

Furthermore, in order to ensure there are no issues of collinearity or multicollinearity between two or more of the independent variables, the Variance Inflation Factor (VIF) technique was used to determine this issue. According to Hair et al. (1995), a VIF value below 10 is deemed acceptable. Based on this threshold advised by Hair et al. (1995), the VIF calculated for all independent variables did not exceed the value of 5.6 per variable (see Table 5.10).

**Table 5.9: Correlation matrix**

Variable	1	2	3	4	5	6	7	8	9	10	11
Direct Response Strategies	1										
Indirect Response Strategies	.692**	1									
Unilateral Response Strategies	.499**	.165*	1								
Collaborative Response Strategies	.755**	.849**	.256**	1							
Primary Stakeholders' Pressures	.519**	.686**	.196*	.722**	1						
Secondary Stakeholders' Pressures	.702**	.830**	.252**	.894**	.877**	1					
Affected by Terrorism	.677**	.543**	.317**	.548**	.568**	.591**	1				
Level of Concern about Terrorism	.579**	.561**	-.004	.533**	.684**	.741**	.473**	1			
Foreign Activity in Terrorism Prone Location	-.030	-.127	.079	-.156*	-.129	-.053	.184*	-.231**	1		
Firm Size	.412**	-.044	.477**	.102	-.015	-.007	.315**	.001	-.220**	1	
Firm Age	.219**	-.169*	.238**	-.022	-.143	-.147	.158*	-.201**	.044	.591**	1

\*\* Correlation is significant at the 0.01 level (2-tailed)/ \* Correlation is significant at the 0.05 level (2-tailed).

**Table 5.10: Variance inflation factor (VIF)**

Variable	Variance Inflation Factor (VIF)
Primary Stakeholders' Pressures	4.771
Secondary Stakeholders' Pressures	5.563
Affected by Terrorism	2.393
Level of Concern about Terrorism	2.574
Foreign Activity in Terrorism Prone Location	1.542
Firm Size	2.072
Firm Age	1.693
<b>Average VIF</b>	<b>2.944</b>

Values below 10 are acceptable by Hair et al. (2010).

## **5.5. Regression models and results**

### **5.5.1. Introduction**

As previously mentioned in Section 4.7.3 in the methodology chapter, conducting a multiple regression analysis to examine the relationship between a dependent variable and a number of independent variables is subject to the fulfilment of several assumptions (Pallant, 2013; Tabachnik and Fidell, 2013; Field, 2013; Hair et al., 1995). These assumptions relating to sample size, normality and outliers were tested earlier in this chapter as part of the pre-tests conducted to ensure the data collected are suitable for administering a multiple regression analysis. In this regard, this section presents the regression of the four dependent variables as four distinct models, namely direct, indirect, unilateral and collaborative response strategies. The multiple regression analysis examines the relationship between those

dependent variables and seven independent variables. Independent variables in this analysis consist of primary stakeholders' pressures, secondary stakeholders' pressures and the level of concern about terrorism. Whereas independent variables such as the size and the age of the firm are utilised as control variables. Additionally, independent variables such as those affected by terrorism dummy and the foreign activity in terrorism-prone locations dummy are also entered in the regression model/equation.

Furthermore, this section will include an evaluation of the collinearity of the independent variables in the regression model. This will be diagnosed using the Variance Inflation Factor (VIF) as mentioned in Section 4.7.3.1. Finally, this section will conclude by summarising the hypotheses testing aspect associated with running the multiple regression analysis.

### **5.5.2. Independent variables in the model**

Based on the construct validity analysis described in Section 4.4.3 in the previous chapter, the independent variables of primary stakeholders, secondary stakeholders and the level of concern about terrorism were operationalised through an extensive literature review (see Chapters 2 and 3). Additionally, the reliability of these scales or variables was tested through applying the reliability analysis and checking the Cronbach's alpha coefficient that this test yielded for all three scales. However, as this test was conducted using the data collected from responses in the pilot study (see Section 4.6.1), it is important to test the reliability of these scales based on the data collected from respondents in the main study.

Consequently, the reliability test for the independent variables resulted in Cronbach's alpha scores of .804 for the level of concern variable, .748 for the primary stakeholders variable and .845 for the secondary stakeholders variable (see Table 5.11). Overall, the reliability test for all the items representing these variables resulted in an overall score of .916. These scores are commensurate with the alpha coefficient being above .7 that is suggested by Davis (1964), Nunnally (1978), Kaplan and Saccuzzo (1982) and Murphy and Davidshofer (1988).

**Table 5.11: Reliability test for the independent variables**

Scale	Level of concern (n=165)	Primary Stakeholders (n=165)	Secondary Stakeholders (n=165)	Overall
Reliability				
$\alpha$	.804	.748	.845	.916
Number of Items	4	6	8	18

### **5.5.3. Control variables in the model**

The issue of including control variables in the regression model and analysis has been debatable for a long time. Atinc et al. (2012) argue that in order to accept the inclusion of control variables in the regression analysis, theoretical justification of the nature of the relationship of these control variables to the dependent variable must be provided. Additionally, Tabachnik and Fidell (2013) stated that control variables have the potential to relate to the dependent variable as much as the independent variables on their side of the equation. Therefore, the recommendations of Breaugh (2008) were followed to provide a discussion of the relationship of these control variables to the dependent variable and to provide

justification of how these variables are measured. Moreover, the hypotheses were matched to the choice of these variables and the type of analysis chosen, as per the recommendations of Spector and Brannick (2011). In this regard, the control variables in this study, firm size and firm age were fully discussed in Chapter 3, and subsequently entered to the regression model. Results of the interaction with other independent variables and the relationship to the dependent variables are available in the multiple regression results section.

#### **5.5.4. Dummy variables in the model**

As described in Section 4.4.1, dummy variables are used to incorporate categorical information into the multiple regression model (Suits, 1957; Dorsett and Webster, 1983). The categories in these variables are binary in nature and are used to measure the influence of such variables on the regression equation and dependent variables. As with the case of control variables, full justification and discussion of the factors or dummy variables of being affected by terrorism, and conducting foreign activity in terrorism-prone locations is present in Chapter 3. The results of the interaction and hypotheses testing regarding these variables is available in the following multiple regression analysis section.

#### **5.5.5. Multiple regression results**

Although the previously conducted univariate and bivariate analysis does not contribute to the hypotheses testing process, it is sought in order to add value to the overall discussion in this thesis. Correspondingly, four models were analysed to assist in testing the proposed hypotheses and provide an answer to the research questions and therefore achieve the aims and objectives of this research. As stated in Section 4.7.3, a multiple regression analysis is built upon examining the



regression equation in which (Y) is the dependent variable, ( $b_0$ ) is the intercept, ( $b_1$ ) is the coefficient to the first explanatory or independent variables ( $X_1$ ), ( $b_2$ ) is the coefficient to the second independent variable ( $X_2$ ), ( $b_n$ ) is the coefficient to the  $n^{\text{th}}$  independent variable ( $X_n$ ) and ( $\varepsilon_i$ ) is the difference between the predicted value of Y, and the observed value of the same variable for the  $i^{\text{th}}$  case (Field, 2013).

$$Y = b_0 + b_1(X_1) + b_2(X_2) + b_n(X_n) + \dots + \varepsilon_i$$

In terms of applying this equation to the dependent variables in this study, the following format is followed:

$$Y = b_0 + b_1 \text{ primary stakeholders} + b_2 \text{ secondary stakeholders} + b_3 \text{ level of concern about terrorism} + b_4 \text{ affected by terrorism} + b_5 \text{ foreign activity in terrorism prone locations} + b_6 \text{ firm size} + b_7 \text{ firm age} + \varepsilon_i$$

Based on the four models that will be presented, Y represents the dependent variables direct responses strategies, indirect response strategies, unilateral response strategies and collaborative response strategies, respectively. Furthermore, the presentation of the multiple regression results in this chapter is in line with similar studies in the field (Oetzel and Getz, 2012; Park et al., 2014; Park and Ghauri, 2015). Additionally, as per the suggestions of Kerr et al. (2002), the presentation of the results will include the use of the standardised beta coefficients and the t-values for the purposes of increasing the clarity of the results. In this regard, the results presented in the following section are based on the 165 cases/observations collected from the sample, in which the model statistics of R, R

square and F values will be presented, describing the overall significance of each model.

#### **5.5.5.1. Direct response strategies**

As indicated earlier, four models were analysed using the linear regression analysis referred to in this thesis as multiple regression. The first model in the analysis is the direct response strategies model, under which the seven predictor variables, including control and dummy variables, explain the model. The model statistics analysis yielded R value of .874, R square value of .753 and F value of 72.5 indicating that this model is significant at  $p < 0.1\%$ . In light of these results, it is noteworthy to highlight what is meant by F values and the significance of the model. According to Tabachnik and Fidell (2013), the F statistic or value provides a measure of the degree of variation explained by the model itself per parameter, against the degree of variation unexplained per remaining degrees of freedom. To elaborate, a higher F value indicates that the model explains much of the variation per parameter than there is error regarding the degrees of freedom. Furthermore, the low significance value (p-value) indicates that the model fits the data. Below are the model statistics featured in Table 5.12, in which the overall model's R,  $R^2$ , F value, the beta standardised coefficients and the significance of each predictor are presented. Further discussion and explanation of the model and the other remaining three models is provided in the hypotheses testing section and the discussion chapter.

**Table 5.12: Model (1) Direct response strategies**

	Direct response strategies		
	$\beta$	t-value	Sig.
Primary Stakeholders' Pressures	-.487	-5.746	***
Secondary Stakeholders' Pressures	.873	9.544	***
Level of Concern about Terrorism	.163	2.624	**
Affected by Terrorism	.261	4.345	***
Foreign Activity in Terrorism Prone Location	-.005	-.108	
Firm Size	.258	4.627	***
Firm Age	.117	2.309	*
R	.874		
R-Square	.753		
F Value (Sig.)	72.5 ***		

Notes: \*\*\*, \*\*, \*, and † indicate 0.1%, 1%, 5% and 10% significance levels, respectively.

#### **5.5.5.2. Indirect response strategies**

Similar to the above described model, the second model featured after the multiple regression analysis is the indirect response strategies. This model, as indicated earlier, is analysed in relation to the seven independent variables. For model (2), the analysis yielded results of R value of .872,  $R^2$  value of .750 and F value of 71.4 significant at  $p < 0.1\%$ . These results as shown in Table 5.13 indicate that model (2) of indirect response strategies is significant and is fit for the data.

**Table 5.13: Model (2) Indirect response strategies**

	Indirect response strategies		
	$\beta$	t-value	Sig.
Primary Stakeholders' Pressures	-.317	-3.716	
Secondary Stakeholders' Pressures	1.085	11.788	***
Level of Concern about Terrorism	-.234	-3.738	
Affected by Terrorism	.299	4.954	***
Foreign Activity in Terrorism Prone Location	-.255	-5.267	
Firm Size	-.169	-3.016	
Firm Age	-.037	-.736	
R	.872		
R-Square	.750		
F Value (Sig.)	71.4 ***		

Notes: \*\*\*, \*\*, \*, and † indicate 0.1%, 1%, 5% and 10% significance levels, respectively.

### 5.5.5.3. Unilateral response strategies

Further to the previously described model statistics, the third model in the multiple regression analysis is the unilateral response strategies model. In this model, the applied test resulted in R value of .632,  $R^2$  value of .372 and F value of 14.9 significant at  $p < 0.1\%$ . This also indicates that the model is significant, explains the variation in the model per parameter and is fit for the data used in the analysis. Below is the table summary of model (3), Table 5.14.

**Table 5.14: Model (3) Unilateral response strategies**

	Unilateral response strategies		
	$\beta$	t-value	Sig.
Primary Stakeholders' Pressures	.026	.189	
Secondary Stakeholders' Pressures	.525	3.599	***
Level of Concern about Terrorism	-.385	-3.879	
Affected by Terrorism	-.023	-.242	
Foreign Activity in Terrorism Prone Location	.160	2.085	*
Firm Size	.589	6.613	***
Firm Age	-.110	-1.365	
R	.632		
R-Square	.372		
F Value (Sig.)	14.9 ***		

Notes: \*\*\*, \*\*, \*, and † indicate 0.1%, 1%, 5% and 10% significance levels, respectively.

#### **5.5.5.4. Collaborative response strategies**

The fourth model in the multiple regression analysis is the collaborative response strategies model. This model consisted, as per the previous models, of examining the relationship between the dependent variable of collaborative response strategies and the set of seven independent variables inclusive of control and dummy variables. The analysis of this model resulted in model statistics comprising of R value of .949,  $R^2$  value of .896 and F value of 203 significant at  $p < 0.1\%$ , indicating the model fit and its significance. Table 5.15 below includes a summary of the model statistics generated through the multiple regression analysis on SPSS.

**Table 5.15: Model (4) Collaborative response strategies**

	Collaborative response strategies		
	$\beta$	t-value	Sig.
Primary Stakeholders' Pressures	-.335	-6.087	
Secondary Stakeholders' Pressures	1.366	22.999	***
Level of Concern about Terrorism	-.364	-9.010	
Affected by Terrorism	.148	3.808	***
Foreign Activity in Terrorism Prone Location	-.248	-7.943	
Firm Size	-.032	-.880	
Firm Age	.064	1.960	†
R	.949		
R-Square	.896		
F Value (Sig.)	203 ***		

Notes: \*\*\*, \*\*, \*, and † indicate 0.1%, 1%, 5% and 10% significance levels, respectively.

#### 5.5.5.5. Summary of the multiple regression analysis

Having analysed the four dependent models in relation to seven independent variables, the regression analysis resulted in considering all four models significant based on the R,  $R^2$  and F values. A comprehensive summary of these results is presented in Table 5.16 below. Correspondingly, these model statistics gave indications of the fit of each model as whole. However, more detailed inferences regarding each predictor, factor or independent variable, is presented in the following section through the hypotheses testing process.

**Table 5.16: Multiple regression analysis summary**

	Model 1 (n=165)			Model 2 (n=165)			Model 3 (n=165)			Model 4 (n=165)		
	Direct Response Strategies			Indirect Response Strategies			Unilateral Response Strategies			Collaborative Response Strategies		
	$\beta$	t-value	sig.	$\beta$	t-value	sig.	$\beta$	t-value	sig.	$\beta$	t-value	sig.
Primary Stakeholders' Pressures	-.487	-5.746	***	-.317	-3.716		.026	.189		-.335	-6.087	
Secondary Stakeholders' Pressures	.873	9.544	***	1.085	11.788	***	.525	3.599	***	1.366	22.999	***
Level of Concern about Terrorism	.163	2.624	**	-.234	-3.738		-.385	-3.879		-.364	-9.010	
Affected by Terrorism	.261	4.345	***	.299	4.954	***	-.023	-.242		.148	3.808	***
Foreign Activity in Terrorism Prone Location	-.005	-.108		-.255	-5.267		.160	2.085	*	-.248	-7.943	
Firm Size	.258	4.627	***	-.169	-3.016		.589	6.613	***	-.032	-.880	
Firm Age	.117	2.309	*	-.037	-.736		-.110	-1.365		.064	1.960	†
R	.874			.872			.632			.949		
R-Square	.753			.750			.372			.896		
F Value (Sig.)	72.5 ***			71.4 ***			14.9 ***			203 ***		

Notes: \*\*\*, \*\*, \*, and † indicate 0.1%, 1%, 5% and 10% significance levels, respectively.

## 5.6. Hypotheses testing

**Hypothesis 1a:** Primary stakeholders are more likely to impose pressures on firms to directly respond to terrorism.

**Hypothesis 1b:** Primary stakeholders are more likely to impose pressures on firms to indirectly respond to terrorism.

**Hypothesis 1c:** Primary stakeholders are more likely to impose pressures on firms to unilaterally respond to terrorism.

**Hypothesis 1d:** Primary stakeholders are more likely to impose pressures on firms to collaboratively respond to terrorism.

For the direct response strategies, primary stakeholders are predicted to have a positive impact on firms' likelihood to implement said strategies (H1a). However, as shown in the hypotheses testing summary table (Table 5.17), the results indicated that there is a negative relationship, significant at  $p < 0.1\%$ . This unlikely result leads to rejecting the hypothesis; however, further discussion of this result

will be provided in the following chapter. Furthermore, in relation to indirect response strategies (H1b), primary stakeholders are found to have no significant relationship, hence rejecting the hypothesis. In the third hypothesis (H1c), results indicated that primary stakeholders had no significant relationship to the likelihood of firms to implement unilateral response strategies, therefore rejecting the hypothesis. Moreover, no support was found for the fourth hypothesis (H1d). The results indicated there is no significant relationship between primary stakeholders' pressures and the implementation of collaborative response strategies. Overall, the primary stakeholders' predictor did not have an impact nor a significant relationship in regards to all types of response strategies, which will be elaborated upon in the following chapter.

**Hypothesis 2a:** Secondary stakeholders are more likely to impose pressures on firms to directly respond to terrorism.

**Hypothesis 2b:** Secondary stakeholders are more likely to impose pressures on firms to indirectly respond to terrorism.

**Hypothesis 2c:** Secondary stakeholders are more likely to impose pressures on firms to unilaterally respond to terrorism.

**Hypothesis 2d:** Secondary stakeholders are more likely to impose pressures on firms to collaboratively respond to terrorism.

In regards to the direct response strategies variable, a positive relationship with secondary stakeholders was found. Significant at  $p < 0.1\%$ , support for hypothesis 2a (H2a) was granted as per the predicted sign and influence. Additionally, secondary stakeholders were found to have a positive influence on the implementation of indirect response strategies (H2b), with a significance level of  $p < 0.1\%$ , lending support to the hypothesis. Furthermore, a positive



relationship significant at  $p < 0.1\%$  was found in the influence of secondary stakeholders on the implementation of unilateral response strategies, providing support to H2c. Finally, support was granted for H2d, given the positive and significant relationship ( $p < 0.01\%$ ) that was found in regards to secondary stakeholders' influence on the implementation of collaborative response strategies. Overall, secondary stakeholders, as per the predicted relationships, positively influence firms' likelihood to implement response strategies to counter terrorism and enhance national security. Further discussion will be provided in the following chapter.

**Hypothesis 3a:** Firms that are more concerned about terrorism are more likely to implement direct response strategies.

**Hypothesis 3b:** Firms that are more concerned about terrorism are more likely to implement indirect response strategies.

**Hypothesis 3c:** Firms that are more concerned about terrorism are more likely to implement unilateral response strategies.

**Hypothesis 3d:** Firms that are more concerned about terrorism are more likely to implement collaborative response strategies.

In regards to the direct response strategies variable, being concerned about terrorism appears to have a positive impact on the implementation of these strategies. This positive and significant relationship ( $p < 1\%$ ) provides support to H3a as per the initial prediction. On the contrary, a negative, yet insignificant relationship was found regarding implementing indirect response strategies if firms had growing concerns about terrorism, leading to rejecting H3b. Likewise, a negative, insignificant relationship was found between the level of concern and the likelihood to implement unilateral response strategies, hence the rejection of H3c. Finally, a similar negative, insignificant relationship was found between the

level of concern and the likelihood to implement collaborative response strategies, leading to the rejection of H3d. Overall, regarding the level of concern about terrorism, the model shows that concerned firms tend to directly respond to terrorism rather than implementing the three other types of strategies.

**Hypothesis 4a:** Firms that have been affected by terrorism are more likely to implement direct response strategies.

**Hypothesis 4b:** Firms that have been affected by terrorism are more likely to implement indirect response strategies.

**Hypothesis 4c:** Firms that have been affected by terrorism are more likely to implement unilateral response strategies.

**Hypothesis 4d:** Firms that have been affected by terrorism are more likely to implement collaborative response strategies.

In regards to direct response strategies (H4a), being affected by terrorism seems to have a positive and significant ( $p < 0.1\%$ ) on the likelihood to implement such strategies. Likewise, the results show that being affected by terrorism positively influences firms' likelihood to implement indirect response strategies. Significant at  $p < 0.1\%$ , the results lend support to H4b. On the contrary, no support was found to H4c as the relationship between being affected by terrorism and the likelihood to implement unilateral response strategies is negative and insignificant, unlike what the predicted hypothesis stated. Whereas the results show support to H4d at a significance level of  $p < 0.1\%$ . This means that firms are more likely to implement collaborative response strategies to counter terrorism and enhance the national security if they have been affected by terrorism. Overall, being affected by terrorism seems to have a positive impact on firms' likelihood to implement response strategies in general, with only the unilateral

strategies yielding a negative result. Further discussion of these results, whether in line with or contradicting the predicted hypotheses, will be provided in the following chapter.

**Hypothesis 5a:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement direct response strategies.

**Hypothesis 5b:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement indirect response strategies.

**Hypothesis 5c:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement unilateral response strategies.

**Hypothesis 5d:** Firms that conduct their international activity(s) in terrorism prone locations are more likely to implement collaborative response strategies.

In regards to the likelihood to implement direct response strategies, the results show no support to H5a. It was found that there is a negative, yet insignificant relationship between operating in terrorism-prone locations and direct response strategies. Furthermore, a similar result was found in regards to indirect response strategies. The results show that there is a negative, and insignificant relationship between conducting foreign activities in terrorism-prone locations and the likelihood to implement indirect response strategies, leading to the rejection of H5b. On the contrary, commensurate with the predicted hypothesis, the results show a positive, and significant relationship ( $p < 5\%$ ) between the likelihood to implement unilateral response strategies and doing business in a terrorism-prone location, lending support to H5c. However, there is no support to H5d, as there is an insignificant, negative relationship between collaborative strategies and operating in terrorism-prone locations. Overall, firms seem to initiate unilateral strategies to respond to terrorism if they are operating in

terrorism-prone locations, whereas the model provides no support on the likelihood to implement the other types of strategies. Further explanation of these unlikely results is available in the following chapter.

**Hypothesis 6a:** Larger firms are more likely to implement direct response strategies.

**Hypothesis 6b:** Larger firms are more likely to implement indirect response strategies.

**Hypothesis 6c:** Larger firms are more likely to implement unilateral response strategies.

**Hypothesis 6d:** Larger firms are less likely to implement collaborative response strategies.

In regards to direct response strategies, firm size is found to have a positive and significant ( $p < 0.1\%$ ) impact on the likelihood to implement those strategies. The results show that larger firms are more likely to implement direct response strategies, lending support to H6a. Likewise, the results show that larger firms are more likely to implement unilateral response strategies. In this regard, it was found that there is a positive relationship with a significance level of  $p < 0.1\%$ , lending support to H6c. On the contrary, H6b and H6d were rejected as the results show negative, insignificant relationships between the firm size and the likelihood to implement indirect, and collaborative response strategies. This means smaller firms tend to respond indirectly and seek collaboration in facing problems such as terrorism. Further discussion will be provided in the following chapter.

**Hypothesis 7a:** Older firms are more likely to implement direct response strategies.

**Hypothesis 7b:** Older firms are more likely to implement indirect response strategies.

**Hypothesis 7c:** Older firms are more likely to implement unilateral response strategies.

**Hypothesis 7d:** Older firms are more likely to implement collaborative response strategies.

In regards to direct response strategies, it was found that older firms are more likely to implement these strategies. The results show a positive and significant relationship ( $p < 5\%$ ) lending support to H7a. Similarly, a partial support to H7d, significant at  $p < 10\%$  was found. This means that older firms are more likely to implement collaborative response strategies. Conversely, no support was found for H7b. In this regard, the results indicated that there is a negative, yet insignificant relationship between the age of the firm and the likelihood to implement indirect response strategies. This is similar to the results regarding unilateral response strategies. The results show that older firms are less likely to implement unilateral response strategies, leading to the rejection of H7c. Overall, it seems that older firms are more likely to implement direct and/or collaborative strategies, while younger or less mature firms are more likely to implement indirect and/or unilateral response strategies. A further explanation of all the described results will be presented in the following discussion chapter.

**Table 5.17: Hypotheses testing summary**

Independent Variables	Hypothesis	Expected Sign	Result		Assessment
			Sign	Significance	
<b>Primary Stakeholders' Pressures</b>	Direct Response Strategies (1a)	+	-	0.1%	No Support
	Indirect Response Strategies (1b)	+	-	Not sig.	No Support
	Unilateral Response Strategies (1c)	+	+	Not sig.	No Support
	Collaborative Response Strategies (1d)	+	-	Not sig.	No Support
<b>Secondary Stakeholders' Pressures</b>	Direct Response Strategies (2a)	+	+	0.1%	Supported
	Indirect Response Strategies (2b)	+	+	0.1%	Supported
	Unilateral Response Strategies (2c)	+	+	0.1%	Supported
	Collaborative Response Strategies (2d)	+	+	0.1%	Supported
<b>Affected by Terrorism</b>	Direct Response Strategies (3a)	+	+	0.1%	Supported
	Indirect Response Strategies (3b)	+	+	0.1%	Supported
	Unilateral Response Strategies (3c)	+	-	Not sig.	No Support
	Collaborative Response Strategies (3d)	+	+	0.1%	Supported
<b>Concerned about Terrorism</b>	Direct Response Strategies (4a)	+	+	1%	Supported
	Indirect Response Strategies (4b)	+	-	Not sig.	No Support
	Unilateral Response Strategies (4c)	+	-	Not sig.	No Support
	Collaborative Response Strategies (4d)	+	-	Not sig.	No Support
<b>Foreign Activity in Terrorism Prone Locations</b>	Direct Response Strategies (5a)	+	-	Not sig.	No Support
	Indirect Response Strategies (5b)	+	-	Not sig.	No Support
	Unilateral Response Strategies (5c)	+	+	5%	Supported
	Collaborative Response Strategies (5d)	+	-	Not sig.	No Support
<b>Firm Size</b>	Direct Response Strategies (6a)	+	+	0.1%	Supported
	Indirect Response Strategies (6b)	+	-	Not sig.	No support
	Unilateral Response Strategies (6c)	+	+	0.1%	Supported
	Collaborative Response Strategies (6d)	+	-	Not sig.	No support
<b>Firm Age</b>	Direct Response Strategies (7a)	+	+	5%	Supported
	Indirect Response Strategies (7b)	+	-	Not sig.	No support
	Unilateral Response Strategies (7c)	+	-	Not sig.	No support
	Collaborative Response Strategies (7d)	+	+	10%	Partial support

## 5.7. Summary of the chapter

In this chapter, the results of the statistical analysis in regards to examining the role of Jordanian multinational corporations in countering terrorism and enhancing the overall national security were presented. A series of pre-tests were conducted to ensure that the data collected for the purposes of achieving the aims and objectives of this research is appropriately adequate. These tests comprised of ensuring the sample size is appropriate, the data is normally distributed, and that there is no sampling or common method bias. Additionally, an outlier test had been conducted and resulted in the omission of a number of cases. Furthermore, a descriptive,

univariate analysis was conducted to describe the frequencies of a number of variables concerning the responding firm characteristics. This analysis was followed by a bivariate correlation analysis between variables. The correlation analysis resulted in establishing linkages between variables, as well as ensure there were no issues of multicollinearity between variables.

Subsequently, a multivariate, multiple regression analysis was conducted to examine the extent to which independent variables influence responding firms' likelihood to implement the different types of response strategies. In this regard, this examination assisted in testing the respective hypotheses. While the hypotheses testing resulted in supporting a number of proposed hypotheses, a set of hypotheses were rejected as no support was found in the results. In this respect, the results presented in this chapter will be comprehensively discussed in the following chapter, in which inferences to the research aims, objectives and questions will be made.

## **Chapter 6: Discussion of the Results**

### **6.1. Introduction**

In this chapter, a discussion of the empirical findings in this thesis will be presented. In relation to the results presented in the previous chapter, the research questions stated in Chapter 1 will be discussed. To remind the reader, the research questions were as follows:

- 1- To what extent do stakeholders' pressures affect firms' likelihood to implement response strategies to counter terrorism and enhance security? (Section 6.2.1)
- 2- To what extent does firms' exposure to terrorism affects their likelihood to implement response strategies to counter terrorism and enhance security? (Section 6.2.2)
- 3- To what extent do firms' characteristics, such as size and age, affect firms' likelihood to implement response strategies to counter terrorism and enhance security? (Section 6.2.3)

Furthermore, this chapter will include a discussion and an assessment of the overall model of response strategies to counter terrorism and enhance security. Reflection remarks will be drawn from the literature analysis presented in Chapter 2 and the conceptual framework presented in Chapter 3. This discussion will comprise of the four different models presented in Chapter 5 including direct response strategies, indirect response strategies, unilateral response strategies and collaborative response strategies. However, as the aim of this chapter is to discuss the empirical results and the hypotheses testing results, further limitations, contributions,



implications and suggestions for future research will be presented in the following chapter, Chapter 7.

## **6.2. Response strategies to counter terrorism and enhance national security**

### **6.2.1. Stakeholders' pressures**

Based on the literature analysis in Chapter 2 and the conceptual framework presented in Chapter 3, stakeholders are defined as those groups or individuals that can have an effect, or are affected by, any organisation to which they are linked (Freeman, 1984). Moreover, those stakeholders, whether primary (consumers, employees, shareholders) or secondary (governments, community leaders, the media, NGOs), can produce pressures on firms to implement or abstain from implementing certain strategies for the greater good of societies (Park et al., 2014). However, in this thesis, Jordanian multinational corporations were the unit of analysis to examine the effect of these pressures on these firms' implementation of response strategies to counter terrorism and enhance security. In this regard, the results presented in Chapter 5 indicated that in this particular context, secondary stakeholders have a higher effect on Jordanian multinationals than those imposed by primary stakeholders. Sections 6.2.1.1 and 6.2.1.2 will include a detailed discussion of these results, comparing all four models of response strategies in relation to each stakeholder type.

#### **6.2.1.1. Primary stakeholders**

Traditionally, primary stakeholders, consisting of but are not limited to consumers, employees and shareholders, positively influenced multinationals' implementation of corporate social responsibility and corporate social responsiveness strategies (Mishra and Suar, 2010; Lindegreen et al., 2009; Qu, 2007). However, previous studies conducted in locations such as the Middle East concluded that corporate social responsibility and responsiveness are not common strategies in such developing countries as they are in developed ones (Jamali et al., 2009). Although Jamali et al. (2009) stated that designing, implementing and evaluating such strategies is on the rise in Middle Eastern countries, such as Syria prior to the conflict, Lebanon and Jordan, it is still not as commonly shared as in developing countries such as Germany, the United Kingdom or the United States of America. With that in mind, the hypotheses were designed based on the growing interest in CSR and social responsiveness, rather than the concluding remarks of Jamali et al.'s (2009) study.

Given the context of terrorism and the location of Jordan, in which this study was conducted, the empirical results of the four models in discussion contradicted the proposed hypotheses. In model 1, the direct response strategies model, the results indicated no support to the proposed positive relationship between primary stakeholders' pressures and the implementation of direct response strategies. In fact, there was a negative significance, which meant that Jordanian multinationals feel pressure from primary stakeholders (consumers, employees and/or shareholders) not to be involved in the implementation of direct response strategies.

These strategies involve, but are not limited to, lobbying the government to take action to prevent or reduce the impact of terrorism (Boddewyn and Brewer, 1994; Hillman and Hitt, 1999), public condemnation of such atrocities (Diamond and McDonald, 1996; Lieberfeld, 2002) or even organising negotiations as mediators between terrorist organisation and governments, (Ballentine and Nitzschke, 2004; Oetzel et al., 2007).

However unlikely the result to the proposed hypothesis (H1a), it is consistent with the remarks of O'Shaughnessy et al. (2007) and Adam and Shavit (2008) in relation to shareholders or investors as primary stakeholders. Such stakeholders seek lower levels of risk and high returns on investment, as involvement in direct contact with terrorist organisations might not be ideal. Additionally, consumers as primary stakeholders are more concerned with CSR activities relating to sustainable development, environmentally-friendly production and ethical consumerism, rather than the political involvement of firms or multinationals whom those consumers trust and have a higher degree of loyalty to (Lamberti and Lettieri, 2009). Moreover, as the implementation of CSR and social responsiveness strategies enhances the overall reputation of the firm (Hartman et al., 2007), this enhanced reputation attracts talented and committed workforce that assist in designing, implementing and assessing CSR and social responsiveness strategies (Qu, 2007; Yang and Rivers, 2009). However, subjecting this workforce to being involved in discussions relating to terrorism or being involved directly in negotiations that might yield negative results is considered a high-risk factor. It could also cause extreme stress and a high turnover rate, especially for expatriate employees undertaking work in

terrorism-prone locations (Bader, 2014; Bader and Berg, 2014; Bader and Berg, 2013).

Similarly, the empirical results of the multiple regression analysis were insignificant in relation to primary stakeholders' pressures effect on the implementation of indirect response strategies (Model 2, H1b), unilateral response strategies (Model 3, H1c) or collaborative response strategies (Model 4, H1d). In this regard, although insignificant, the results show a negative relationship between primary stakeholders' pressures and both indirect and collaborative strategies. Whereas, there was an indication of a positive, insignificant relationship with the likelihood to implement unilateral response strategies. These insignificant results are attributed to the previously discussed points stating that the pressures of primary stakeholders, such as consumers, employees and/or shareholders, are primarily linked to reputation, risk and performance. These attributes are then mostly associated, especially in locations such as the Middle East, with CSR and social responsiveness activities linked to the environment, philanthropy and social development, (Jamali et al, 2009).

#### **6.2.1.2. Secondary stakeholders**

Continuing to discuss research question (1) regarding the extent to which stakeholders' pressures influence firms' likelihood to implement response strategies to counter terrorism and enhance security, the influence of secondary stakeholders is substantial to this discussion. As stated in Section 5.6 in the previous chapter, the regression analysis results gave a clear indication that there is positive influence by secondary stakeholders for firms to implement the response strategies in question.

All four models that were subject to the regression analysis yielded significantly positive results in regards to the “secondary stakeholders” independent variable.

To elaborate, secondary stakeholders comprise of, but are not limited to, governments, media, non-government organisations (NGOs) and community leaders, (Park et al., 2014). Governments, as an influential secondary stakeholder, practice significant encouragement for firms to become socially responsible and responsive. In fact, some governments even include private sector corporate social responsibility in their investment legislation (Crilly et al., 2008). Additionally, in regards to counter-terrorism policies and regulations, the private sector, represented here by multinational corporations, is an integral part of the success of such policies, such as the ‘Prevent’ policy currently in practice in the UK.

Moreover, another extremely significant type of secondary stakeholders is the media. Its importance is highlighted by the media’s ability as a key factor in communication and the formulation of public opinion (Azmat and Samaratunge, 2009). This is essential to private firms or multinationals for their involvement in implementing strategies that might prevent or reduce the impact of terrorism can enhance their reputation and adhere to public demands (Bitektine, 2011; O’Riordan and Fairbrass, 2008). Keeping this in focus, it is also integral to elaborate on the influence community leaders and NGOs can contribute for firms to implement the different types of response strategies. In this regard, NGOs and communities are known to advocate positive change on a local and global level, (Doh and Guay, 2006). This includes the advocacy for ensuring social equality, responsible and responsive behaviours and the implementation of philanthropic activities. Having

said that, all hypotheses concerning model 1 (H2a), model 2 (H2b), model 3 (H2c) and model 4 (H2d) were supported by the empirical results. This meant that there are significantly positive pressures imposed by secondary stakeholders towards Jordanian multinationals' implementation of direct, indirect, unilateral and collaborative response strategies.

Overall, in regards to research question (1), the regression analysis results indicated that stakeholders generally do have an influence towards firms' likelihood to implement response strategies to counter terrorism and enhance security. However, secondary stakeholders, represented by governments, the media, NGOs and community leaders have stronger influences than that of the primary stakeholders. In fact, the influence of primary stakeholders, though insignificant, is negative given the context of this study, meaning that primary stakeholders mainly encourage firms to avoid being involved in such political issues. On the other hand, firms feel the obligation to implement the variety of response strategies as a reaction to secondary stakeholders' pressures.

### **6.2.2. Firm's exposure to terrorism**

Multinational corporations and the business sector in general have faced the threat of terrorism for decades. This threat was not only limited to companies being targets of terrorist attacks themselves, but it also involved those businesses suffering from being victims of collateral damage. In this regard, Perry (2011) stated that with this in mind, the private sector has the obligation to provide protection or facilitate the safety factor for their employees, customers and their shareholders' wealth that is invested in bringing those businesses to success. Furthermore, Larobina and Pate (2009) argued that the business environment as a whole has been negatively

impacted by terrorism on a high level, especially in the modern era of terrorism post the events of 9/11 in the U.S. In this regard, Larobina and Pate (2009) inferred that globally, sectors such as the equity market, aviation, tourism, insurance and corporate security have faced detrimental consequences resulting from terrorist activity. Owing to the fact that the negative impact of terrorism has been felt across a number of business sectors throughout history, it is integral to this thesis and discussion to examine whether firms that are relatively exposed to terrorism are more likely to implement response strategies to counter terrorism and enhance security. This is linked to research question (2) and is measured through the independent variables consisting of the level of concern that firms encounter, their own experience with terrorism and whether they were direct targets, or have been affected indirectly as victims of collateral damage, and whether they operate in terrorism-prone locations, which might increase the chances of those firms experiencing the impact of terrorism.

#### **6.2.2.1. Level of concern about terrorism**

The empirical results presented in Chapter 5 and the hypotheses testing process demonstrated in Section 5.6 show support in only one of the four discussed models. The results of the regression analysis indicated that firms are more likely to implement direct response strategies if their level of concern about terrorism is high. In this regard, the perception of terrorism concern is reflected through the differences in perceiving risk (Drakos and Muller, 2011). According to Lee and Lemyre (2009), the level of concern can be illustrated by the behavioural response and proactive preparedness. This is portrayed through individual and group preparedness, information seeking activities, and the notion of avoidance (Lee and

Lemyre, 2009). Although the characteristics that measure the level of worry, fear and safety concerns were built upon the study of the individual, these can be reflected on the behaviour of firms. A study by Beutell et al. (2017) showed that a higher level of stress and fear, along with cognitive preparation to work in hostile environments was one of the main reasons for firms to deploy, repatriate or expatriate employees to international subsidiaries located in war zones, areas with high propensity for conflict or terrorism-prone location.

Building on the inferences made by Perry (2011) firms or multinationals' obligation towards their employees, customers, shareholders and the societies in which they operate to minimise the impact of terrorism is integral to the process of counter terrorism in any location or state. Therefore, initiating direct response strategies to counter terrorism and enhance the overall national security is higher in companies whose perception of the risks associated with terrorism is embedded within their everyday strategies, an argument supported by the empirical results presented earlier (H4a). On the contrary, the results indicated no support for H4b, H4c and H4d respectively.

To elaborate, the independent variable "level of concern" was measured by different types and forms of terrorism. The first measurement item was direct terrorism, in which firms were the clear target of the attack. Secondly, the level of concern was measured through indirect terrorism, in which firms were victims of collateral damage. Thirdly, the physical form of terrorism, in which loss of life, injuries and a damage of tangible assets was incurred, was included as a measurement item. And finally, cyberterrorism was the final measurement item, in which firms suffer the



consequences of an attack on firms' intangible assets, including company records, banking reserves or a breach to their security systems (Stohl, 2006). As these measurement items produced the level of concern of each of the respondents towards terrorism, the findings indicated that higher levels of concern will increase firms' likelihood to implement direct response strategies, and decrease their likelihood of implementing indirect, unilateral and collaborative strategies. These findings manifest that firms with higher risk perception and higher behavioural preparedness are more likely to directly respond to terrorism.

#### **6.2.2.2. Firms affected by terrorism**

The second element essential to provide an answer to research question (2) on the extent to which the level of exposure to terrorism affects firms' likelihood to implement response strategies to counter terrorism and enhance security, is their own experience with terrorism. Firms in the sample in this thesis were asked whether they have experienced or have been affected by the impact of terrorism, and as shown in Table 5.8 in the previous chapter, nearly two-thirds of the sample declared that they have been negatively affected by acts of terrorism in the past. In this regard, the regression analysis conducted earlier examined the relationship between the firms' being affected by terrorism and their likelihood to implement said strategies. Correspondingly, the results indicated that there is support to H3a, which is linked to direct response strategies. Furthermore, the results indicated that there is support to H3b and H3d respectively. This meant that firms that were affected by terrorism have higher propensity to implement indirect and collaborative response strategies respectively. However, the results provided no support to model (3), in

which the relationship between being affected by terrorism is examined in regards to implementing unilateral strategies.

Given these results, it is clear that there is an indication of the positive and significant relationship between being affected by terrorism and three different types of strategies. Firms are more likely to implement direct, indirect and collaborative strategies for these strategies capture a comprehensive proactive preparedness against terrorist activity. However, it appears that firms that have experienced the impact of terrorism are willing to collaborate with either other private organisations, NGOs or governments (Smith and Feldman, 2003). Whereas acting independently as a unilateral force does not constitute an option for such firms.

#### **6.2.2.3. Firms operating in terrorism-prone locations**

The third and final element corresponding to research question (2) is whether operating in terrorism-prone locations affects firms' likelihood to implement response strategies to counter terrorism and enhance security. As shown in Table 5.7 in the previous chapter, almost half of the respondents in the sample declared that they conduct foreign or international business activity in a terrorism-prone location. These locations were determined, as mentioned in Section 5.3.7, through the database supplied by the Global Terrorism Index in 2016. In this regard, the multiple regression analysis yielded positive and significant results between the variable "operating in a terrorism-prone location" and firms' likelihood to implement unilateral strategies (Model 3, H5c). Whereas negative and insignificant relationships were found while examining the same independent variable and the three other models of direct, indirect and collaborative strategies.

The support found for H5c, unlike H5a, H5b or H5d indicates that while conducting foreign business activity, firms have the propensity to independently formulate their response strategies. This is corresponding to Konczak's (2001) argument that forming alliances in a foreign setting is rather a costly encounter, a time-consuming matter and is highly dependent on firms' own internal and external resources. Therefore, the support found in model 3 provides clearer understanding on how firms conduct their implementation of response strategies should the latter be required in a foreign location, especially locations that encompass a higher degree of propensity to terrorism.

These three elements of the level of concern, firms' own experience with terrorism and operating in a terrorism-prone location assist in providing answers to research question (2). In this regard, the results indicated that being affected by terrorism can have a positive impact on firms' likelihood to implement three different types of response strategies, namely direct, indirect and collaborative strategies. However, having high levels of concern towards the impact of terrorism will only lead firms to implement direct response strategies. Whereas, while operating in terrorism-prone locations, firms will tend to implement unilateral strategies due to a number of constraints regarding forming affiliations in a foreign setting.

### **6.2.3. Firm characteristics**

This section presents a discussion on firms' characteristics, such as the size and the age of the firm, and whether these characteristics have an effect on firms' likelihood to implement response strategies to counter terrorism and enhance

security. As described in earlier chapters, the aim of conducting a multiple regression analysis was to examine the relationships between a set of independent variables and four different dependent variables. In this regard, in order to answer research question (3), the relationship between responding firms' size and age were regressed against the four respective models of direct, indirect, unilateral and collaborative response strategies. Correspondingly, the results provided support to some of the related hypotheses, while others were rejected. In Sections 6.2.3.1 and 7.2.3.2 a detailed discussion of these results is provided.

#### **6.2.3.1. Firm size**

According to Greenbaum et al. (2007), the impact of terrorism on the global business environment is found to reduce the number of firms and business formation, as well as reduce the number of employment and the opportunities for expansion. While the size of the firm is considered one of the most explanatory organisational characteristics in strategic and business environment analysis (Josefy et al., 2015), the economic impact of terrorism is detrimental to the operations of smaller firms (MacPherson et al., 2006). However, Branzie and Abdelnour (2010) found that while operating in locations with critical conditions related to conflict and terrorism, smaller, entrepreneurial firms exhibit greater resilience against such conditions. Branzie and Abdelnour (2010) suggested that smaller, entrepreneurial firms benefit from collaborations and interventions from international development agencies and NGOs that contribute to the overall business resilience in such conditions.

In this regard, while examining the relationship between the size of the responding Jordanian multinationals and their likelihood to implement response strategies, the

results indicated that larger firms are more prone to implementing direct response strategies than smaller firms, supporting model (1) and H6a. This, in fact, is related to the scale and scope of the organisation. While smaller firms prove more resilient to terrorism, larger firms are able to respond directly as their resources and capabilities allow for these strategies to be implemented (Konczak, 2001). Additionally, the results indicated that larger firms are more likely to implement unilateral response strategies to counter terrorism and enhance security. This provided positive and significant support to Model (3) and H6c. This is also related to firms' ability to independently acquire the resources required for such intervention, something that smaller firms might not be capable of. However insignificant, the results indicated a negative relationship between the firm size and the likelihood to implement indirect strategies and collaborative strategies, representing model (2), H6b and model 4, H6d respectively. Linking these findings to the conceptual framework presented in Chapter 3, indirect response strategies involve a variety of strategies that are predominantly internal to the firm. These comprise of, but are not limited to, certain adjustment to the human resources policies in the firm and/or the verification of the supply chain and other internal reinforcements. Therefore, given the nature of these strategies, smaller firms with smaller number of employees and smaller working capitals are more likely to implement strategies that do not involve higher investments. Similarly, as the results yielded a negative, but insignificant relationship between firm size and the implementation of collaborative strategies. These indicate that smaller firms are more likely to form collaborations with government, NGOs or other private business organisations to overcome the lack of capabilities to respond to terrorism and enhance security.

#### **6.2.3.2. Firm age**

The firm age is attributable as a characteristic that determines firms' ability to engage, adapt and survive in a volatile business environment. According to Thornhill and Amit (2003), survival in younger firms or firms that have less experience in a specific setting are ascribed to firms' continuous development in managerial knowledge and their financial management abilities. On the contrary, older, more experienced firms are hindered in their inability to adapt to environmental change. However, Evans (1987) predicted that firms with longer business experience defy the probabilities of failure in the face of changes in the business environment. Commensurate with these findings, Carr et al. (2010) inferred that older firms can adapt to long-term changes in the business environment, which increases their survival rate in comparison to younger, less experienced firms. This is accredited to older firms' improvement as they gain more experience, as Coad et al. (2013) emphasised that older firms tend to have higher levels of productivity, higher profits, lower debt ratios and are usually larger in size.

In this respect, the multiple regression analysis conducted in Chapter 5, examined the relationship between the age of the responding firm and their likelihood to implement response strategies to counter terrorism and enhance security. The empirical evidence to support research question (3) resulted in supporting model (1), H7a and model (4), H7d. These results indicated that older, more experienced firms are more likely to implement direct response strategies and collaborative response strategies. While insignificant and negative results were found in model (2), H7b and model (3), H7c, indicating that younger firms are more likely to

implement indirect and unilateral strategies. To elaborate, as older firms are more productive, more profitable and less burdened by debts, they are more likely to design and implement direct strategies that require efficient planning, capital, resources and management knowledge. These are attributes that younger, less experienced firms might not acquire. Additionally, experience in the market can also mean a wider, more prominent network of business, government and non-government collaborators, hence older firms' likelihood to implement collaborative response strategies. Conversely, younger firms are attributed to lack the resources, capital, the experience, the network or the knowledge to respond either directly and/or collaboratively. Therefore, younger firms are associated with the likelihood to implement indirect and/or unilateral response strategies to counter terrorism and enhance security.

Overall, firms' characteristics such as size and age are important attributes to measure their performance, especially in a changing and challenging environment (Majumdar, 1997). In this regard, in support of research question (3), the results indicated that to some extent the size and the age of the responding firm constituted some differences in their likelihood to implement response strategies. In summary, while older firms are more likely to implement direct and/or collaborative strategies, younger firms have the inclination to implement indirect and/or unilateral strategies. Moreover, larger firms are more likely to implement direct and/or unilateral strategies, while smaller firms have the propensity to implement indirect and/or collaborative strategies.

### **6.3. Overall assessment of response strategies**

As outlined in the previous sections in this chapter, the overall aim of providing a discussion of the results in this thesis was to answer the research questions outlined in Chapter 1 and in Section 6.1. In this regard, the discussion involved making inferences regarding each independent variable employed in this study in reflection to the four dependent models. Correspondingly, it is integral to the research process to assess each of the respective models in order to summarise the findings and their implications. This section will include a brief assessment of the direct, indirect, unilateral and collaborative response strategies respectively.

To begin with, the results of the regression analysis and the hypotheses testing provided support to 5 out of 7 hypotheses in the direct response strategies model (model 1). This gave model (1) the strongest support in relation to the interaction between the dependent variable and the suggested set of predictors. In this respect, as mentioned earlier, in order for firms to design and implement direct response strategies, firms must have access to resources, capital and networks. These strategies consist of, but are not limited to, negotiations, private security, third party solutions (arbitration, mediation, problem solving), withholding payments and/or public condemnation (Oetzel et al., 2007).

Correspondingly, the aim of this research was to examine the extent to which the pressure of stakeholders, the level of firms' exposure to terrorism and firm-specific characteristics induce the likelihood of firms to implement strategies as such. In this regard, the data gathered in this respect included a sample of Jordanian multinationals that mainly operate in Jordan or surrounding countries. Therefore,



based on the analysis of responses from said sample, it was apparent that a number of variables increase the likelihood of firms to implement direct response strategies. These variables include the pressures of secondary stakeholders, firms' own experience with being affected by terrorism, firms' level of concern about terrorism, firms' size and firms' age.

On the contrary, support was found for the likelihood to implement indirect response strategies in two hypotheses. Indirect response strategies consist of, but are not limited to, conforming to global multilateral agreements, terminating cooperation with parties involved in human rights violations, verification of the supply chain, adopting human resource policies that avoids aggravation in societies and/or donating resources to victims of terrorism (Oetzel et al. 2007; Oetzel and Getz, 2012). Based on the regression analysis conducted in Chapter 5, the results indicated that firms are more likely to implement indirect response strategies if there are pressures from secondary stakeholders (governments, NGOs, media, communities) or if they have been directly affected by terrorism, or were victims of collateral damage caused by acts of terrorism. Given these results, model (2) is not as substantial as model (1) for the implementation of direct response strategies is induced by a larger number of factors.

Furthermore, in model (3) of the unilateral response strategies, support was found in three respective hypotheses. The results indicated that there is a relationship between the likelihood to implement unilateral strategies and the pressures of secondary stakeholders, the firm size and conducting international business in terrorism-prone foreign locations. These strategies include keeping business

operations as usual, conducting internal audits, philanthropic activities aimed at reducing inequality and poverty, and designing internal guidelines to support their employees if the firm experienced terrorist attacks. Whereas in model (4), support was found for the independent variables of secondary stakeholders' pressures, being affected by terrorism and the age of the firm.

Correspondingly, it was clear that based on the regression analysis, model (1; direct response strategies) accumulated the most substantial support of all four models. Models (3) and (4) (unilateral and collaborative response strategies) had the equal support of 3 independent variables, while the support of two independent variables was found based on the analysis of model (2; indirect response strategies). Although these four models assisted in answering the research questions, it is evident that the majority of responding firms are more likely to design and implement direct response strategies to counter terrorism and enhance security. It is also evident that the secondary stakeholders' pressures, those that are linked to governments, the media, communities and non-government organisations, constitutes the most important factor in firms' decision to respond to terrorism. In this regard, a reflection on this discussion and the implications of the presented results will be provided in the concluding chapter in this thesis.

#### **6.4. Reflection on the discussion**

The purpose of this section is to provide a reflection on the results discussed in this chapter. However, in order to be able to provide a reflective account on the results and how these sufficiently help in achieving the objectives of this study, and answer the research questions, it is important to evaluate the research design that was

implemented in this thesis. This will entail an assessment of the chosen methodology and method, an evaluation of the data collection process (pilot study and main study) and an appraisal of the process of variable selection.

To begin with, outlining the research methodologies and methods as part of the research process was an integral part of this thesis. This process was described in chapter 4, which included a detailed discussion of the variety of qualitative and quantitative research designs. This discussion, as highlighted in section 4.3 and 4.3.1, resulted in the choice of a quantitative approach, utilising the survey method. In reflection onto how appropriate this methodology and method were to achieve the research aims and objectives, and answer the research questions, it is noteworthy to remind the reader that this choice was commensurate with other studies in the field of CSR, social responsiveness and the stakeholder framework (Oetzel and Getz, 2012; Park et al, 2014; Park and Ghauri, 2015). Correspondingly, the results this methodology and method yielded are considered to be of a sufficient fit. In this regard, chapter 5 and the earlier sections of this chapter illustrated how the data collection method, the sample, the gathered data and the analysis technique served the purpose of answering the research questions adequately. Therefore, had qualitative methods been chosen to conduct this research, the results could not have answered the research questions better than it did using quantitative methods. However, as with any research study, there are limitations to this study, which will be discussed in detail in the following chapter.

Furthermore, as highlighted in section 4.6.1, the pilot study was conducted to clarify and pinpoint any faults, problems, confusions or misunderstandings in the data

collection instrument. In this regard, the feedback received from the pilot study's respondents was employed in modifying a number of questions as per request to remove any confusions, as well as reduce the time required to complete the survey. This process ensured that the survey questionnaire was error-free and adequate for use in the main study.

Similarly, the variable selection process to the variables included in the survey questionnaire was another important issue in the research design. In this respect, the extensive literature review, as well as the formulation of the conceptual framework for this study helped in ensuring that all the variables that were utilised were chosen and operationalised from previous studies. This careful consideration ensured the validity of the variables and items used in the data collection instrument. Likewise, the reliability of the constructs was tested throughout the data collection process to ascertain the level of consistency between the items in each scale. In this regard, the reliability test was conducted in both the pilot study and the main study, on both samples, and in both cases yielded acceptable results.

Having said that, as a reflection on the research design that was employed in this thesis, the methodology and methods chosen were appropriate and provided adequate results. The choice of a quantitative methodology, and the survey method helped achieve the research aim, objectives and questions, and therefore deemed pertinent.

In terms of the results achieved in this thesis, and as highlighted in the previous sections of this chapter, support and rejection of respective hypotheses was

discussed in relation to existing literature. However, while comparing the presented results to previous literature holds a significant importance in understanding the value this current study adds, it remains essential to reflect upon such results in retrospective.

Understanding the political, cultural and societal nature of Jordan plays an immense role in the ability of interpreting the results provided in this thesis. In relation to the likelihood of Jordanian multinationals to implement the different types of response strategies to terrorism, this section seeks to apply the understanding of the business and political environment of Jordan onto the yielded results. By looking at the independent variables of primary and secondary stakeholders and their influence on the matter, the unlikely results provided in this thesis of a more prominent influence of secondary stakeholders over their primary counterparts relates to the contextual objectives this thesis sought to achieve. The context of terrorism and counter-terrorism provided a fresher perspective of the role of such stakeholders. As described in Chapter 3, section 3.4, the approach of the Jordanian government and regime in dealing with issues related to radicalisation, extremism and terrorism has always been a traditional, military-orientated and a reflection of the implementation of pure hard strategies to reduce the impact of such problems. While the approach is now changing into what can be referred to as a soft, dialogue-led and rhetoric-guided method, the results indicate that the private sector still perceives the government, a major secondary stakeholder to multinationals, as the main actor in this context. Therefore, the results stating that secondary stakeholders have a stronger and more significant influence on the likelihood of Jordanian multinationals

to implement all four types of response strategies to terrorism are a reflection of the reality of Jordan.

Correspondingly, when the major terrorist incident of Amman Hotel Bombings occurred in 2005, the private sector's intervention and response was purely guided by the change in government regulations regarding national security measures. This included the introduction of laws not only encouraging, but also mandating the private sector of all sizes, industries and locations within the kingdom to apply certain security measures. This was considered a part of the refreshed counter-terrorism policy of Jordan. Such changes included the introduction of metal-detecting barriers across all public places (shopping centres, hotels, shops, schools and even universities). Additionally, industries such as banking, chemicals and telecommunication were urged to assist the government in identifying any forms of suspicious behaviours that can help in detecting and foiling any plots to threaten the peaceful living of Jordan and Jordanians.

To summarise, the unique results in this thesis, unconventional as they may seem, are a reflection of the contextual factors in looking at the influences of both types of stakeholders. While there is a contradiction with previous studies that found primary stakeholders to be the stronger influencer over private businesses in general, and multinationals in particular, the context of terrorism, and the setting of Jordan provide a different, yet unique outlook on the perceptions of the stakeholder theory.

## **6.5. Summary of the chapter**

This chapter included a discussion of the findings of this thesis. The discussion involved clarifying the results of the multiple regression analysis presented in Chapter 5. These included an overall assessment of the four dependent models, namely direct, indirect, unilateral and collaborative response strategies. In this regard, in each model the corresponding dependent variable was regressed against seven different independent variables. These independent variables comprised of primary stakeholders' pressures, secondary stakeholders' pressures, the level of concern about terrorism, firms' own experience with terrorism, operating in terrorism-prone locations, firm size and firm age.

The purpose of this discussion was to link the findings to the research questions provided in Chapter 1 and Section 6.1 of this chapter. The data collection process, quality of the data, the choice of the variables and the analysis technique were adequate to provide sufficient answers to the research enquiry. In this respect, the overall analysis of the four respective models indicated that the pressures of secondary stakeholders to respond to terrorism and enhance the national security is the most influential factor for the responding sample. The results indicated that based on the sample of responding Jordanian multinationals, those firms are more likely to implement all four types of response strategies if they are pressured by secondary stakeholders (governments, the media, NGOs, communities).

In the following chapter, the concluding remarks of the thesis will be provided. This will include the contribution to knowledge this thesis achieved and a discussion of the limitations faced by the researcher. Additionally, a brief discussion of the public

policy and managerial implications will be provided. Finally, the following chapter will conclude by providing recommendations for future research on the subject matter.



## **Chapter 7: Conclusion**

### **7.1. Introduction**

The purpose of this concluding chapter is to provide a discussion regarding the contribution to knowledge achieved by this thesis. In addition to the research contributions, implications to public policy makers and managers will also be discussed. This chapter will also discuss a number of limitations that this study encountered. While limitations to the research can sometimes be seen as obstacles to completing any research study, they did not prevent this study from achieving its aim and objectives.

To remind the reader, this thesis aimed to examine the role of multinational corporations in countering terrorism and enhancing security. In this regard, the objectives this study set out to achieve were as follows:

- 1- To examine whether the likelihood to implement response strategies to counter terrorism is influenced by the pressures of primary stakeholders.
- 2- To examine whether the likelihood to implement response strategies to counter terrorism is influenced by the pressures of secondary stakeholders.
- 3- To examine whether firms' exposure to terrorism influenced their likelihood to implement response strategies to counter terrorism.
- 4- To examine whether firms' own characteristics, such as the size and age of the firm, influence the likelihood to implement response strategies to counter terrorism.

Consequently, three research questions were designed to assist in achieving the aforementioned research objectives. The research questions, as highlighted in Chapter 1 were as follows:

- 1) To what extent do stakeholders' pressures affect firms' likelihood to implement response strategies to counter terrorism and enhance security?
- 2) To what extent does firms' exposure to terrorism affect their likelihood to implement response strategies to counter terrorism and enhance security?
- 3) To what extent do firms' characteristics, such as size and age, affect firms' likelihood to implement response strategies to counter terrorism and enhance security?

These research objectives and questions formulated a guiding path for achieving the main aim of this thesis. In this regard, the following sections will entail a discussion of the contribution to knowledge, research implications, limitations and recommendations for future research.

## **7.2. Research contributions**

In this section, a number of contributions this thesis achieved will be discussed. While the aim of this thesis was to examine the role of multinational corporations in countering terrorism and enhancing security, achieving this aim and the associated research objectives provided a number of theoretical, contextual and methodological contributions.

To begin with, as expressed earlier, the research gap was uncovered by analysing a range of previous studies that examined the relationship between the impact of

terrorism and the variety of business functions. These studies (see Section 1.3) have had a single direction, through which the role of the private sector was rarely examined. Additionally, in the context of examining CSR and social responsiveness in MNCs, most of the studies focused on samples from developed countries, with a sole focus on the MNC subsidiary as a unit of analysis (Park et al., 2014; Park and Ghauri, 2015). Even the studies that were focused on developing countries (Kolk and Lenfant, 2010; Jamali and Mirshak, 2010) failed to incorporate terrorism as part of the overall violent conflict that is hindering the economic and social development of such countries. In this regard, and to the best of the researcher's knowledge, this is the first study that links a range of corporate social responsiveness practices and strategies to the context of terrorism. This is portrayed by the response strategies that were described and discussed throughout this thesis. Likewise, in the context of the multinational corporation, this is the first study that discusses the role of such firms in countering terrorism in developing countries, as well as the first study to be conducted using a sample of Jordanian firms within this context.

In terms of the methodological contributions, this study utilised the quantitative survey method. In this regard, previous studies that had similar contexts of MNCs CSR in developing countries used either qualitative interviews (Jamali and Mirshak, 2010) or company reports and documents (Kolk and Lenfant, 2010). Conducting the survey in this study allowed for acquiring primary data that was vital in examining certain relationships that would not have been possible having used secondary data.

Moreover, the empirical findings of this thesis constitute a major shift in understanding the influence of stakeholders on businesses and MNCs in particular. In this regard, it is important to remind the reader that the results indicated that primary stakeholders have no influence over firms' likelihood to implement response strategies. While this contradicts the results of Park et al. (2014) and Park and Ghauri (2015), it encourages a different point of view. This thesis clarified that in the context of countering terrorism, secondary stakeholders have the stronger influence over MNCs social responsive behaviour, those are governments, the media, local communities and non-government organisations. While this is a unique finding in this particular context, it encourages further research to form an understanding of these influences of secondary stakeholders, a premise that will be discussed in a later section.

### **7.3. Research implications**

#### **7.3.1. Implications for public policy**

Along with the theoretical, contextual and methodological contributions this thesis provided, it also offers a range of implications for public policy. As described in Chapters 3, multinational corporations have always been substantial contributors to the economic and social development in both developed and developing countries. Building on the findings inferred in the literature review chapter, CSR and social responsiveness strategies are traditionally voluntary in nature. However, this does not mean that the policy maker cannot include some of those important strategies in the overall economic and social policies that drive nations to a better development outcome.

Consequently, the vast majority of the response strategies to counter terrorism and enhance security referred to in this thesis stem from issues regarding inequality, social injustices, poverty, discrimination and security measures. Such strategies were deemed appropriate as a contributing factor to reduce the impact of terrorism, as these social problems were historically the heart of social disintegration, conflict, and violence (Jain and Grosse, 2009). Therefore, it is important that the policy maker is made aware of such practices and activities, that could, in the long run, develop as soft, non-militarised, counter terrorism strategies. In this regard, as mentioned in Section 3.4, the Jordanian government's counter terrorism strategies are nothing but a universal example on how governments and the state traditionally strived to resolve the issue. While Jordan is now moving towards more swift strategies that include a focus on dialogue with the youth as preventative measures. This awareness can be spread more efficiently if the private sector and multinationals that have the power, the capital and resources were part of the dialogue. This does not mean that such strategies must become compulsory for firms to implement. It means that the inclusion of the private sector and the business associations as contributing members to resolve issues such as terrorism in the policy making process, might yield positive and more efficient results.

In this context, it is noteworthy to refer to the United Kingdom's government policies on the public-private partnerships to counter the phenomenon of terrorism described in Rosemont's (2014) work. By enforcing industry codes of conduct, the UK government regulates the terms of engagement between industries and the public sector. This in turn highlights flaws in the supply chains that those industries have

and increases awareness and due-diligence practices. Consequently, this could be one method of engaging the private sector in developing countries such as Jordan.

### **7.3.2. Implications for management**

In addition to the public policy implications described in the previous section, this thesis offers a number of managerial and practical implications. Based on the empirical findings presented in Chapter 5 and discussed in Chapter 6, it was clear that different circumstances dictate firms' likelihood to implement response strategies to terrorism. To elaborate, the results indicated that large firms are more likely to implement direct and unilateral response strategies for their ability to utilise their power, capital and resources. Additionally, older, more experienced firms are more likely to implement direct and collaborative strategies. This indicates that the more experienced firms are, the more likely they have developed a sufficient network of collaborators to tackle a social dilemma as such. Other circumstances such as being previously affected by terrorism, being concerned about terrorism and conducting business in a known terrorism-prone location, also have similar influences on firms' behaviour (see Chapters 5 and 6).

Given such empirical evidence, the work completed in this thesis can be extended to raising the awareness of the ability of multinationals to positively contribute to countering terrorism and enhancing security. Moreover, the awareness associated with the set of strategies and practices can help managers avoid feeding the root causes of terrorism. These roots are, as described earlier, embedded within issues of social injustices and inequalities. While the private sector is able to control factors as such, this could result in a stronger preventative approach towards terrorism.

While the results in this cross-sectional, single-country study cannot be generalised to represent the whole population of all operating multinationals globally, it is but a starting point to collaboratively achieve a common goal. Correspondingly, as previous discussions in Chapters 1 and 3 inferred, a mono conventionally militarised approach to counter terrorism has not provided the sought results. Therefore, it is inevitable that such public-private partnerships and the inclusion of private sector social responsiveness strategies will contribute positively to the overall solution.

#### **7.4. Limitations of the research**

As is the case with any empirical research, acknowledging certain limitations is a must. This stems from the identification of a number of difficulties, obstacles and perhaps alternatives that were not feasible at the time of conducting this thesis. To begin with, as this study was conducted in Jordan, which is a location different to where the researcher is based (the UK), there was a number of barriers the researcher encountered during the data collection process. Despite having strong ties with Jordan and being a native speaker of the Arabic language, the researcher experienced initial difficulties communicating with the Chamber of Commerce in Jordan to be granted consent and access to potential respondents. In this regard, the process of navigating poorly developed webpages to read and acquire information regarding the chamber and the members was a time-consuming matter. However, once this obstacle was overcome, the chamber, represented by their public relations manager, were beyond cooperative and offered substantial support to help achieve the sought results.

Moreover, as described earlier in Chapter 4, choosing the electronic mail as a method of communicating the data collection instrument seemed appropriate based on previous studies in this field of enquiry, such as Oetzel and Getz (2012), Park et al. (2014) and Park and Ghauri (2015). However, as a developing country that is experiencing a number of reforms to its infrastructures (see Chapter 3), conducting surveys via the phone or via mail, might have resulted in a higher response rate. However, these two methods of communication were not feasible at the time of conducting the survey and would have been accompanied with huge time and budget constraints.

Further to the previous limitations, this study would have had more focus and more solid results had there been a focus on a single industry. In this regard, as mentioned in Chapters 4 and 5, this study gathered responses from Jordanian multinationals that were selected using the probability sampling technique of random sampling. This left the researcher with no control over the number of industries or sectors associated with the respondents and hence, provide one of the limitations in this thesis. Likewise, a focus on a single industry, one that is strongly associated with previous terrorist activity such as the banking sector or the chemicals industry might have yielded more representative results. Additionally, selecting one single measure to determine the size of the firm, which is one of the independent variables in the study, proved to be a limitation. While the firm size is usually determined by the number of employees, organisations such as the OECD (2005) use firms' financial assets as well, in order to support the classification of firm size. However, previous studies such as Oetzel and Getz (2012) and Park et al. (2014) used this single item measure, which gives justification to not extending the



variable of firm size into asking responding firms about their financial assets. This could have been an issue especially with the secretive corporate culture of Jordan (Al-Husan and James, 2003; Bates and Khasawneh, 2005).

Despite having achieved the research objectives and answered the research questions, utilising a quantitative, cross-sectional approach was a limitation to this study for a number of reasons. In regards to the quantitative approach, this study utilised the survey method to help examine the relationships proposed in Chapter 3. However, the data collection and analysis helped in only examining the influence of certain factors such as stakeholders' pressures, the level of exposure to terrorism, and firm-specific characteristics on the likelihood to implement certain response strategies to counter terrorism and enhance security. While this is one of the contributions this study has, it did not add to the understanding of why and how certain independent factors would influence firms more than others. In this regard, having conducted a qualitative study on a smaller scale of Jordanian multinationals by utilising the method of interviews would have provided answers to such enquiry. While following a qualitative approach would have been outside the time and budget constraints for this study, it is considered one of the important avenues to explore in future studies.

One final limitation of this study is its inability to measure whether the suggested response strategies to counter terrorism and enhance security have an effect on reducing or limiting the impact of terrorism. While this is not an objective this study was designed to achieve, it remains a vital issue in contributing to the overall

counter-terrorism strategy in Jordan and around the world, and therefore, a fruitful avenue for future research.

### **7.5. Suggestions for future research**

This study has contributed to the existing body of knowledge in the area of the role of the private sector in countering terrorism. However, as with any empirical research within any body of knowledge, this study offers a range of recommendations and suggestions for future research in the same, or similar areas. Firstly, while the quantitative methodology in this thesis achieved and answered its objectives and questions respectively, applying qualitative methods can help extend the overall understanding in this research context. To elaborate, the quantitative approach in this thesis aided the process of examining the influence of multiple factors of firms' likelihood to implement response strategies. With this in mind, utilising a qualitative approach can extend the findings of this thesis by offering an understanding of the reasons why multinationals might implement such strategies. It will also help in understanding the organisational and strategic mechanisms by which such strategies will be implemented, something that this thesis was not set to achieve.

Secondly, this study could benefit from extending the applied framework and methodology onto a sample from a developed country, for example the UK. With such an extension, the unit of analysis could be determined as the subsidiaries of UK firms operating in terrorism-prone locations such as the Middle East and North Africa. This extension could lead to either confirming the results provided in this thesis or offering a different perspective. Additionally, a further recommendation is

to focus such research enquiry on a single industry, in either a single country or multiple countries. This could yield unique results, as some industries can have stronger influence on the issue of countering terrorism given their industry-specific characteristics.

Finally, the last recommendation is to apply a different theoretical framework to the stakeholder theory. In this regard, the results indicated that secondary stakeholders have the most significant influence on firms' likelihood to implement response strategies to terrorism. This, in fact, encourages exploring the role of institutions in the subject matter. As discussed in Chapter 2, the institutional theory is well-embedded within the study of CSR and the social responsiveness of the firm and MNCs. Consequently, embedding both formal and informal institutions in the conceptual framework of such a study might offer a different perspective and contribute to the existing body of knowledge.

## References

Abratt, R., Nel, D. and Higgs, N.S. 1992. 'An examination of the ethical beliefs of managers using selected scenarios in a cross-cultural environment'. *Journal of Business Ethics*, 11(1), pp.29-35.

Abu-Odeh, A. 1999. '*Jordanians, Palestinians, and the Hashemite Kingdom in the Middle East Peace Process*'. United States Institute of Peace Press.

Ackerman, R. W. 1973. 'How companies respond to social demands'. *Harvard Business Review*, 51(4), pp.88-98.

Adam, A.M. and Shavit, T. 2008. 'How can a ratings-based method for assessing corporate social responsibility (CSR) provide an incentive to firms excluded from socially responsible investment indices to invest in CSR?'. *Journal of Business Ethics*, 82(4), pp.899-905.

Aguinis, H., 2011. 'Organizational responsibility: Doing good and doing well'. *APA Handbook of Industrial and Organizational Psychology*, 3, pp.855-879.

Ahmed, S., and Potter, D., M. 2006. '*NGOs in International Politics*', Bloomfield, CT: Kumarian Press.

Al-Husan, F.B. and James, P. 2003. 'Cultural control and multinationals: The case of privatized Jordanian companies'. *International Journal of Human Resource Management*, 14(7), pp.1284-1295.

Amini, M. and Bienstock, C.C. 2014. 'Corporate sustainability: an integrative definition and framework to evaluate corporate practice and guide academic research'. *Journal of Cleaner Production*, 76, pp.12-19.

Ansoff, I. 1965. '*Corporate Strategy*'. New York: McGraw Hill, Inc.

Arenas, D., Lozano, J. M., & Albareda, L. 2009. 'The role of NGOs in CSR: Mutual perceptions among stakeholders'. *Journal of Business Ethics*, 88, 175–197.

Ariansen, P. 1999. 'Sustainability, morality and future generations'. In '*Towards Sustainable Development*' (pp. 84-96). Palgrave Macmillan, London.

Armstrong, J.S. and Overton, T.S. 1977. 'Estimating nonresponse bias in mail surveys'. *Journal of marketing research*, pp.396-402.

Atinc, G., Simmering, M.J. and Kroll, M.J. 2012. 'Control variable use and reporting in macro and micro management research'. *Organizational Research Methods*, 15(1), pp.57-74.

Azmat, F., and Samaratunge, R. 2009. 'Responsible Entrepreneurship in Developing Countries: Understanding the Realities and Complexities'. *Journal of Business Ethics* 90(3), pp. 437–452.

Backman, J. 1975. '*Social responsibility and accountability*'. New York: New York University Press.

Bader, B. 2014 'The power of support in high-risk countries: compensation and social support as antecedents of expatriate work attitudes'. *The International Journal of Human Resource Management*, pp. 1-25.

Bader, B. and Berg, N. 2013. 'An Empirical Investigation of Terrorism-induced Stress on Expatriate Attitudes and Performance'. *Journal of International Management*, 19(2), pp. 163-175.

Bader, B. and Berg, N. 2014. 'The influence of terrorism on expatriate performance: a conceptual approach'. *International Journal of Human Resource Management*, 25(4), pp. 539-557.

Bader, B. and Schuster, T. 2014. 'Expatriate Social Networks in Terrorism-Endangered Countries: An Empirical Analysis'. *Journal of International Management*, 21(1), pp. 63-77.

Baez, B. 2002. 'Confidentiality in qualitative research: reflections on secrets, power and agency'. *Qualitative research*, 2(1), pp. 35-58.

Bahn, S. and Weatherill, P. 2012. 'Qualitative social research: a risky business when it comes to collecting 'sensitive' data'. *Qualitative Research*, 13(1), pp. 19-35.

Ballentine, K. and Nitzschke, H. 2004. 'Business and armed conflict: An assessment of issues and options'. *Die Friedens-Warte*, pp.35-56.

Balnaves, M. and Caputi, P. 2001. '*Introduction to quantitative research methods: An investigative approach*'. Sage.

Bamidele, O. 2012. 'Boko Haram catastrophic terrorism: An albatross to national peace, security and sustainable development in Nigeria'. *Journal of Sustainable Development in Africa*, 14(1), pp.32-44.

Bates, R. and Khasawneh, S. 2005. 'Organizational learning culture, learning transfer climate and perceived innovation in Jordanian organizations'. *International Journal of Training and Development*, 9(2), pp.96-109.

Baumgartner, R.J. 2014. 'Managing corporate sustainability and CSR: A conceptual framework combining values, strategies and instruments contributing to sustainable development'. *Corporate Social Responsibility and Environmental Management*, 21(5), pp.258-271.

Baumgartner, R.J. and Ebner, D. 2010. 'Corporate sustainability strategies: sustainability profiles and maturity levels'. *Sustainable Development*, 18(2), pp.76-89.

Baumgartner, R.J. and Rauter, R. 2017. 'Strategic perspectives of corporate sustainability management to develop a sustainable organization'. *Journal of Cleaner Production*, 140, pp.81-92.

Bayar, Y. and Gavriltea, M.D. 2018. 'Peace, terrorism and economic growth in Middle East and North African countries'. *Quality & Quantity*, 52(5), pp.2373-2392.

Beddewela, E. and Fairbrass, J. 2016. 'Seeking legitimacy through CSR: Institutional pressures and corporate responses of multinationals in Sri Lanka'. *Journal of Business Ethics*, 136(3), pp.503-522.

Belasco, A. 2009. 'Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11'. Diane Publishing.

Beliveau, B., Cottrill, M. and O'Neill, H.M. 1994. 'Predicting corporate social responsiveness: A model drawn from three perspectives'. *Journal of Business Ethics*, 13(9), pp.731-738.

Bennett, J. 2002. 'Multinational corporations, social responsibility and conflict'. *Journal of International Affairs*, pp.393-410.

Benton, T. and Craib, I. 2001 *'Philosophy of social science: The philosophical foundations of social thought'*. Macmillan International Higher Education.

Bergman, E.F. 1973. 'The Multinational Corporation'. *The Professional Geographer*, 25(3), pp.255-260.

Best, S., Nocella, A. and Anthony, J. 2004. 'Defining terrorism'. *Animal Liberation Philosophy and Policy Journal*, 2(1), pp.1-18.

Beutell, N.J., O'Hare, M.M., Schneer, J.A. and Alstete, J.W. 2017. 'Coping with Fear of and Exposure to Terrorism among Expatriates'. *International Journal of Environmental Research and Public Health*, 14(7), p.808.

Birkinshaw, J., Brannen, M. Y. and Tung, R. L. 2011 'From a distance and generalizable to up close and grounded: Reclaiming a place for qualitative methods in international business research'. *Journal of International Business Studies*, pp. 573-581.

Bitektine, A. 2011. 'Toward a Theory of Social Judgments of Organizations: The Case of Legitimacy, Reputation, and Status'. *Academy of Management Review* 36(1), 151–179.



Blaikie, N. 1993. '*Approaches to social enquiry*'. Polity Press.

Boddeyn, J.J. and Brewer, T.L. 1994. 'International-business political behavior: New theoretical directions'. *Academy of management review*, 19(1), pp.119-143.

Bouquet, C. and Birkinshaw, J. 2008. 'Managing power in the multinational corporation: How low-power actors gain influence'. *Journal of Management*, 34(3), pp.477-508.

Bowen, H. R. 1953. '*Social responsibilities of the businessman*'. New York: Harper & Row.

Bowman, E.H. and Haire, M. 1975. 'A strategic posture toward corporate social responsibility'. *California Management Review*, 18(2), pp.49-58.

Brammer, S., Jackson, G. and Matten, D. 2012. 'Corporate social responsibility and institutional theory: New perspectives on private governance'. *Socio-economic Review*, 10(1), pp.3-28.

Brand, L. 1994. '*Jordan's Inter-Arab Relations: The Political Economy of Alliance Making*'. Columbia: Columbia University Press.

Brand, V. 2009 'Empirical business ethics research and paradigm analysis.' *Journal of Business Ethics*, 86(4), pp. 429-449.

Branzei, O. and Abdelnour, S. 2010. 'Another day, another dollar: Enterprise resilience under terrorism in developing countries'. *Journal of International Business Studies*, 41(5), pp.804-825.

Breaugh, J.A. 2008. 'Important considerations in using statistical procedures to control for nuisance variables in non-experimental studies'. *Human Resource Management Review*, 18(4), pp.282-293.

Brislin, R.W. 1970. 'Back-translation for cross-cultural research'. *Journal of Cross-cultural Psychology*, 1(3), pp.185-216.

Bruce, G. 2013. 'Definition of terrorism social and political effects'. *Journal of Military and Veterans' Health* 21(2), pp.26–30.

Bryman, A. 2006. 'Integrating quantitative and qualitative research: how is it done?'. *Qualitative research*, 6(1), pp. 97-113.

Bryman, A. and Bell, E. 2011. '*Business research methods*'. Oxford University Press, USA.

Bures, O. 2013. 'Public-private partnerships in the fight against terrorism?'. *Crime, Law and Social Change*, 60(4), pp.429-455.

Bures, O. 2015. 'Political corporate social responsibility: Including high politics?'. *Journal of Business Ethics*, 129(3), pp.689-703.

Burrell, G. and Morgan, G. 1979. '*Sociological paradigms and organisational analysis*'. London: Heinemann.

Buttle, F. 1996. 'SERVQUAL: review, critique, research agenda'. *European Journal of Marketing*, 30(1), pp.8-32.

Campbell, J.L. 2007. 'Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility'. *Academy of Management Review*, 32(3), pp.946-967.

Carpenter, G. and White, P. 2004. 'Sustainable development: finding the real business case'. *Corporate Environmental Strategy: International Journal for Sustainable Business*, 11(2), pp.2-51.

Carr, J.C., Haggard, K.S., Hmieleski, K.M. and Zahra, S.A. 2010. 'A study of the moderating effects of firm age at internationalization on firm survival and short-term growth'. *Strategic Entrepreneurship Journal*, 4(2), pp.183-192.

Carroll, A.B. 1977. '*Managing corporate social responsibility*'. Little, Brown.

Carroll, A.B. 1979. 'A three-dimensional conceptual model of corporate performance'. *Academy of Management Review*, 4(4), pp.497-505.

Carroll, A. B. 1991. 'The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders'. *Business Horizons*, 34, pp. 39-48.

Carroll, A.B. 1999. 'Corporate social responsibility: Evolution of a definitional construct'. *Business & Society*, 38(3), pp.268-295.

Carroll, A.B. and Shabana, K.M. 2010. 'The business case for corporate social responsibility: A review of concepts, research and practice'. *International Journal of Management Reviews*, 12(1), pp.85-105.

Chalmers, A. F. 2013. *'What is this thing called science?'*. Hackett Publishing.

Chidlow, A., Plakoyiannaki, E. and Welch, C. 2014. 'Translation in cross-language international business research: Beyond equivalence'. *Journal of International Business Studies*, 45(5), pp.562-582.

Chow, W.S. and Chen, Y. 2012. 'Corporate sustainable development: Testing a new scale based on the mainland Chinese context'. *Journal of Business Ethics*, 105(4), pp.519-533.

Click, R.W. and Weiner, R.J. 2010. 'Resource nationalism meets the market: Political risk and the value of petroleum reserves'. *Journal of International Business Studies*, 41(5), pp.783-803.

Coad, A., Segarra, A. and Teruel, M. 2013. 'Like milk or wine: Does firm performance improve with age?'. *Structural Change and Economic Dynamics*, 24, pp.173-189.

Coaffee, J. 2008. 'Risk, resilience, and environmentally sustainable cities'. *Energy Policy*, 36(12), pp.4633-4638.

Cohen, J. 1992. 'A power primer'. *Psychological Bulletin*, 112(1), p.155.

Collier, P. and Hoeffler, A. 2007. 'Unintended consequences: does aid promote arms races?'. *Oxford Bulletin of Economics and Statistics*, 69(1), pp.1-27.

Collis, J. and Hussey, R. 2009. *'Business Research; A Practical Guide for Undergraduate and Postgraduate Students'*. Palgrave Macmillan.

Colton, D. and Covert, R.W. 2007. *'Designing and constructing instruments for social research and evaluation'*. John Wiley & Sons.

Commission of the European Communities (CEC). 2001. *'Promoting a European Framework for Corporate Social Responsibilities'*, COM (2001) 366 final, Brussels

Counter extremism project. 2016. 'Country profile; Jordan'. [Online] [Accessed on 10<sup>th</sup> January 2016] <https://www.counterextremism.com/countries/jordan>

Coviello, N. E. and Jones, M. V. 2004. 'Methodological issues in international entrepreneurship research'. *Journal of Business Venturing*, 19(4), pp. 485-508.

Crane, A. 1999. 'Are you ethical? Please tick yes ☐ or no ☐ on researching ethics in business organizations'. *Journal of Business Ethics*, 20(3), pp. 237-248.

Creswell, J.W. 2003. *'Research design: Qualitative, quantitative, and mixed methods design'*. Sage publications.

Creswell, J.W. 2013. *'Research design: Qualitative, quantitative, and mixed methods approaches'*. Sage publications.

Crilly, D., Schneider, S.C. and Zollo, M. 2008. 'Psychological antecedents to socially responsible behavior'. *European Management Review*, 5(3), pp.175-190.

Cronbach, L.J. 1951. 'Coefficient alpha and the internal structure of tests'. *Psychometrika*, 16(3), pp.297-334.

Crotty, M. 1998. *'The foundations of social research: Meaning and perspective in the research process'*. Sage.

Czinkota, M., Knight, G.A. and Liesch, P.W. 2004. 'Terrorism and international business: conceptual foundations'. In '*Terrorism and the international business environment: The security-business nexus*', pp.43-57.

Czinkota, M.R., Knight, G.A., Liesch, P.W. and Steen, J. 2005. 'Positioning terrorism in management and marketing: research propositions'. *Journal of International Management*, 11(4), pp.581-604.

Czinkota, M.R., Knight, G., Liesch, P.W. and Steen, J. 2010. 'Terrorism and international business: A research agenda'. *Journal of International Business Studies*, 41(5), pp.826-843.

Dacin, T. M., Goodstein, J., and Scott, R. W. 2002. 'Institutional theory and institutional change: Introduction to the special research forum'. *Academy of Management Journal*, 45(1), pp.45-56.

Dahlsrud, A. 2008. 'How corporate social responsibility is defined: an analysis of 37 definitions'. *Corporate Social Responsibility and Environmental Management*, 15(1), pp.1-13.

Dallas, R. 1999. '*King Hussein: A Life on the Edge*'. London: Profile Books.

Davis, F.B. 1964. '*Educational Measurements and Their Interpretation*', Belmont, CA: Wadsworth.

Davis, K. 1960. 'Can business afford to ignore social responsibilities?'. *California Management Review*, 2, 70-76.

Davis, K., and Blomstrom, R. L. 1966. '*Business and its environment*'. New York: McGraw-Hill.

De Vaus, D.A. 2001. *'Research design in social research'*. Sage.

Dean, P.J. 1997. 'Examining the profession and the practice of business ethics'. *Journal of Business Ethics*, 16(15), pp.1637-1649.

Decker, A. 2005. 'Disaster Recovery: What it Means to be Prepared; Business continuity management ensures the survival of a company, not just during or after a disaster, but during daily operations'. *Information Management*, 15(1), p.44.

Derkinderen, F. and R. Crum. 1979. *'Project Set Strategies'*. Boston: Martinus

Detomasi, D.A. 2008. 'The Political Roots of Corporate Social Responsibility'. *Journal of Business Ethics* 82(4), pp. 807–819.

Diamond, L. and McDonald, J.W. 1996. *'Multi-track diplomacy: A systems approach to peace'*. West Hartford, CT: Kumarian Press.

Dickson-Swift, V., James, E. L., Kippen, S. and Liamputtong, P. 2007. 'Doing sensitive research: what challenges do qualitative researchers face?'. *Qualitative Research*, 7(3), pp. 327-353.

Dillman, D.A., Smyth, J.D. and Melani, L. 2014. *'Internet, mail, and mixed-mode surveys: the tailored design method'*. Toronto: Wiley & Sons.

DiMaggio, P. 1988. 'Interest and agency in institutional theory'. *Institutional Patterns and Organizations Culture and Environment*, pp.3-21.

DiMaggio, P. and Powell, W.W. 1983. 'The iron cage revisited: Collective rationality and institutional isomorphism in organizational fields'. *American Sociological Review*, 48(2), pp.147-160.

Doh, J. P., and Guay, T. R. 2006. 'Corporate social responsibility, public policy, and NGO activism in Europe and the United States: An institutional–stakeholder perspective'. *Journal of Management Studies*, 43(1), pp. 47–73.

Doh, J. P., and Guay, T. R. 2004. 'Globalization and Corporate Social Responsibility: How Non-governmental Organizations Influence Labor and Environmental Codes of Conduct'. *Management International Review* 44(2), pp. 7–29.

Donaldson, T. and Gini, A. 1996. '*Case studies in business ethics*'. Prentice Hall.

Donaldson, T. and Preston, L. E. 1995. 'The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications'. *Academy of Management Review* 20(1), pp. 65–91.

Dorsett, D. and Webster, J.T. 1983. 'Guidelines for variable selection problems when dummy variables are used'. *The American Statistician*, 37(4a), pp.337-339.

Doz, Y. 2011. 'Qualitative research for international business'. *Journal of International Business Studies*, 42(5), pp. 582-590.

Drakos, K. and Müller, C. 2011. 'Terrorism risk concern in Europe'. *Economics Letters*, 112(2), pp.195-197.



Driffield, N., Jones, C. and Crotty, J. 2013 'International business research and risky investments, an analysis of FDI in conflict zones.' *International Business Review*, 22(1), pp. 140-155.

Du, S., C.B. Bhattacharya, and S. Sen. 2010. 'Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication'. *International Journal of Management Reviews*, 12(1), pp. 8–19.

Dunfee, T.W. and Fort, T.L. 2003. 'Corporate hypergoals, sustainable peace, and the adapted firm'. *Vanderbilt Journal of Transnational Law*, 36, p.563.

Dunning, J.H. 1998. 'Location and the multinational enterprise: a neglected factor?'. *Journal of International Business Studies*, 29(1), pp.45-66.

Eells, R. 1956. '*Corporate giving in a free society*'. New York.

Eells, R., and Walton, C. 1974. '*Conceptual foundations of business*'. Burr Ridge, IL: Irwin.

Eid, M. 2013. 'The new era of media and terrorism'. *Studies in Conflict & Terrorism*, 36(7), pp.609-615.

Eilbert, H., and Parket, I. R. 1973. 'The current status of corporate social responsibility'. *Business Horizons*, 16, pp. 5-14.

El Said, H. 2015. '*New approaches to countering terrorism; designing and evaluating counter radicalization and de-radicalization programs*'. Hampshire: Palgrave.

El-Said, H. and Barrett, R. 2017. '*Enhancing and understanding the foreign terrorist fighter phenomenon in Syria*'. United Nations Office of Counter Terrorism, pp. 1-58.

El-Said, H. and Harrigan, J. 2013. '*Deradicalizing violent extremists: counter-radicalization and deradicalization programmes and their impact in muslim majority states*'. Routledge.

Emshoff, J. R. and R. E. Freeman. 1978. 'Stakeholder Management', *Working Paper from the Wharton Applied Research Center (July, 1978)*.

Enders, W. and Sandler, T. 1996. 'Terrorism and foreign direct investment in Spain and Greece'. *Kyklos*, 49(3), pp. 331-352.

Epstein, E. M. 1987. 'The corporate social policy process: Beyond business ethics, corporate social responsibility, and corporate social responsiveness'. *California Management Review*, 29, pp. 99-114.

Evans, D.S. 1987. 'The relationship between firm growth, size, and age: Estimates for 100 manufacturing industries'. *The Journal of Industrial Economics*, pp.567-581.

Fattah, H. M. 2005. '3 hotels bombed in Jordan; at least 57 die'. The New York Times. [Online] [Accessed on 2<sup>nd</sup> April 2019] <https://www.nytimes.com/2005/11/10/world/middleeast/3-hotels-bombed-in-jordan-at-least-57-die.html>

Fearon, J.D. 2004. 'Why do some civil wars last so much longer than others?'. *Journal of Peace Research*, 41(3), pp.275-301.

Field, A. 2013. *'Discovering statistics using IBM SPSS statistics'*. Sage.

Finstad, K. 2010. 'Response interpolation and scale sensitivity: Evidence against 5-point scales'. *Journal of Usability Studies*, 5(3), pp.104-110.

Fitch, H.G. 1976. 'Achieving corporate social responsibility'. *Academy of Management Review*, 1(1), pp.38-46.

Forsgren, M. 2017. *'Theories of the multinational firm: A multidimensional creature in the global economy'*. Edward Elgar Publishing.

Foster, D. and Jonker, J. 2005. 'Stakeholder relationships: the dialogue of engagement'. *Corporate Governance: The international Journal of Business in Society*, 5(5), pp.51-57.

Frederick, W. C. 1960. 'The growing concern over business responsibility'. *California Management Review*, 2, pp. 54-61.

Frederick, W. C. 1978. 'From CSR1 to CSR2: the maturing of business and society thought'. *Working paper number 279, Graduate School of Business, University of Pittsburgh*.

Freeman, R. E. 1984. *'Strategic management: A stakeholder approach'*. Boston: Pitman.

Freeman, R. E. 2010. *'Strategic management: A stakeholder approach'*. Cambridge university press.

Freeman, R.E., Martin, K. and Parmar, B. 2007. 'Stakeholder capitalism'. *Journal of Business Ethics*, 74(4), pp.303-314.

Ganor, B. 2002. 'Defining terrorism: Is one man's terrorist another man's freedom fighter?'. *Police Practice and Research*, 3(4), pp.287-304.

Garriga, E. and Melé, D. 2004. 'Corporate social responsibility theories: Mapping the territory'. *Journal of Business Ethics*, 53(1-2), pp.51-71.

Gasiorowski, M. J. 1986. 'Economic interdependence and international conflict: Some cross-national evidence.' *International Studies Quarterly*, pp. 23-38.

Geneva Centre for the Democratic Control of Armed Forces (DCAF). 2016. '*Preventing violent extremism online through public-private partnerships*'. Palais de Nations, Salle XXIII.

Getz, K.A. and Oetzel, J. 2009. 'MNE strategic intervention in violent conflict: Variations based on conflict characteristics'. *Journal of Business Ethics*, 89(4), pp.375-386.

Gharaibeh, I. 1997. '*The Muslim Brotherhood Political and Organisational Performance*', in Al-Urdun Al-Jadid Research Centre, *Islamic Movements in Jordan*, Amman: Sindbad Publishing House, pp. 47-77.

Ghazal, M. 2015. '10 years after Amman bombings, war on terror 'remains our war''. The Jordan Times. [Online] [Accessed on 3<sup>rd</sup> February 2016] <http://www.jordantimes.com/news/local/10-years-after-amman-bombings-war-terror-remains-our-war%E2%80%99>

Ghoshal, S. and Bartlett, C.A. 1990. 'The multinational corporation as an interorganizational network'. *Academy of Management Review*, 15(4), pp.603-626.

Gifford, B., A. Kestler, and Anand, S. 2010. 'Building Local Legitimacy into Corporate Social Responsibility: Gold Mining Firms in Developing Nations'. *Journal of World Business*, 45(3), pp. 304–311.

Gladwin, T. N. and Kennelly, J. J. 1995. 'Shifting Paradigms for Sustainable Development: Implications for Management Theory and Research.' *Academy of Management Review*, 20(4), pp. 874–904.

Glavič, P. and Lukman, R. 2007. 'Review of sustainability terms and their definitions'. *Journal of Cleaner Production*, 15(18), pp.1875-1885.

Global terrorism database (GTD). 2016. START; the University of Maryland. [Online] [Accessed 10<sup>th</sup> February 2016] <https://www.start.umd.edu/gtd/>

Godos-Díez, J.L., Fernández-Gago, R. and Martínez-Campillo, A. 2011. 'How important are CEOs to CSR practices? An analysis of the mediating effect of the perceived role of ethics and social responsibility'. *Journal of Business Ethics*, 98(4), pp.531-548.

Godschalk, D.R. 2003. 'Urban hazard mitigation: creating resilient cities'. *Natural Hazards Review*, 4(3), pp.136-143.

Greenbaum, R.T., Dugan, L. and LaFree, G. 2007. 'The impact of terrorism on Italian employment and business activity'. *Urban Studies*, 44(5-6), pp.1093-1108.

Greening, D. W. and Gray, B. 1994. 'Testing a Model of Organizational Response to Social and Political Issues'. *Academy of Management Journal* 37, pp. 467–498.

Griffith, D. A., Cavusgil, S. T. and Xu, S. 2008 'Emerging themes in international business research'. *Journal of International Business Studies*, 39(7), pp. 1220-1235.

Grzebyk, M. and Stec, M. 2015. 'Sustainable development in EU countries: concept and rating of levels of development'. *Sustainable Development*, 23(2), pp.110-123.

Guba, E. G. and Lincoln, Y. S. 1994. 'Competing paradigms in qualitative research'. *Handbook of Qualitative Research*, 2, pp. 163-194.

Gubster, P. 1973. '*Politics in Al-Karak Jordan*'. London: Oxford University Press.

Gugler, P. and Shi, J. Y. J. 2009. 'Corporate Social Responsibility for Developing Country Multinational Corporations: Lost War in Pertaining Global Competitiveness?'. *Journal of Business Ethics*, 87(1), pp. 3–24.

Hadjikhani, A., Lee, J.W. and Ghauri, P.N. 2008. 'Network view of MNCs' socio-political behavior'. *Journal of Business Research*, 61(9), pp.912-924.

Hair, J.F., Anderson, R.E., Tatham, R.L. and Black, W.C. 1995. '*Multivariate data analyses with readings*'. Englewood Cliffs, New Jersey.

Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R.L. 2006. '*Multivariate data analysis*'. Pearson Prentice Hall Upper Saddle River, New Jersey.

Harkness, J.A., Villar, A. and Edwards, B. 2010. 'Translation, adaptation, and design'. *Survey Methods in Multinational, Multiregional, and Multicultural Contexts*, pp.115-140.

Harrigan, J. and El-Said, H. 2009. *'Aid and Power: The IMF and World Bank Policy Lending in the Arab World'*. London: Palgrave Macmillan.

Hartman, L.P., Rubin, R.S. and Dhanda, K.K. 2007. 'The communication of corporate social responsibility: United States and European Union multinational corporations'. *Journal of Business Ethics*, 74(4), pp.373-389.

Harvey, M.G. 1993. 'A survey of corporate programs for managing terrorist threats'. *Journal of International Business Studies*, 24(3), pp.465-478.

Haselhoff, F. 1976. 'A New Paradigm for the Study of Organizational Goals'. In I. Ansoff, R. Declerk and R. Hayes (eds.). *'From Strategic Planning to Strategic Management'*, pp. 15-27. New York, John Wiley and Sons.

Hawkins, D.E. (2006), *'Corporate Social Responsibility: Balancing Tomorrow's Sustainability and Today's Profitability'*. Palgrave Macmillan, New York, NY.

Heald, M. (1957). 'Management's responsibility to society: The growth of an idea'. *Business History Review*, 31(4), pp. 375-384.

Heald, M. (1970). *'The social responsibilities of business: Company and community, 1900-1960'*. Case Western Reserve University Press, Cleveland, OH.

Heenan, D. and Perlmutter, H. 1979. *'Multinational Organization Development'*. Reading, Addison Wesley.

Hillman, A.J. and Hitt, M.A. 1999. 'Corporate political strategy formulation: A model of approach, participation, and strategy decisions'. *Academy of management review*, 24(4), pp.825-842.

Hironaka, A. 2005, '*Neverending Wars: The International Community, Weak States, and the Perpetuation of Civil War*'. Harvard University Press, Cambridge.

Hsueh, C.F. 2014. 'Improving corporate social responsibility in a supply chain through a new revenue sharing contract'. *International Journal of Production Economics*, 151, pp.214-222.

Huemer, L. 2010. 'Corporate social responsibility and multinational corporation identity: Norwegian strategies in the Chilean aquaculture industry'. *Journal of Business Ethics*, 91(2), pp.265-277.

Human Rights Watch, (2018). A report on Jordan. [Online] [Accessed 18<sup>th</sup> February 2018] <https://www.hrw.org/world-report/2018/country-chapters/jordan>.

Hung, H. 2011. 'Directors' Roles in Corporate Social Responsibility: A Stakeholder Perspective'. *Journal of Business Ethics*, 103(3), pp. 385–402.

Hussey, D. and Langham, M. 1978. '*Corporate Planning: The Human Factor*'. Oxford, Pergamon Press.

Husted, B. W. and Allen, D. B. 2006 'Corporate social responsibility in the multinational enterprise: strategic and institutional approaches'. *Journal of International Business Studies*, 37(6), pp. 838-849.



Hymer, S. 1982. 'The multinational corporation and the law of uneven development'. In '*International Economics Policies and their Theoretical Foundations*', pp. 325-352.

Ihlen, Ø. and Roper, J. 2014. 'Corporate reports on sustainability and sustainable development: 'We have arrived''. *Sustainable development*, 22(1), pp. 42-51.

Institute for Economics and Peace. 2016. '*Global terrorism index; measuring and understanding the impact of terrorism*'.

Jain, S.C. and Grosse, R. 2009. 'Impact of terrorism and security measures on global business transactions: Some international business guidelines'. *Journal of Transnational Management*, 14(1), pp. 42-73.

Jamali, D. 2008. 'A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice'. *Journal of Business Ethics*, 82(1), pp. 213-231.

Jamali, D. and Keshishian, T. 2009. 'Uneasy alliances: Lessons learned from partnerships between businesses and NGOs in the context of CSR'. *Journal of Business Ethics*, 84(2), pp. 277-295.

Jamali, D. and Mirshak, R. 2010. 'Business-conflict linkages: Revisiting MNCs, CSR, and conflict.' *Journal of Business Ethics*, 93(3), pp. 443-464.

Jamali, D., Sidani, Y. and El-Asmar, K. 2009. 'A three country comparative analysis of managerial CSR perspectives: Insights from Lebanon, Syria and Jordan'. *Journal of Business Ethics*, 85(2), pp. 173-192.

Joensuu, K., Koskela, M. and Onkila, T. 2015. 'Social proximity and environmental NGO relationships in corporate sustainability reports'. *Sustainable Development*, 23(1), pp. 26-40.

Johns, R. 2010. 'Likert items and scales'. *Survey Question Bank: Methods Fact Sheet*, 1, pp. 1-11.

Johnson, H. L. 1971. '*Business in contemporary society: Framework and issues*'. Belmont, CA: Wadsworth.

Johnston, P., Everard, M., Santillo, D., and Robert, K., H. 2007. 'Reclaiming the Definition of Sustainability'. *Environmental Science and Pollution Research*, 14(1), pp. 60-66.

Jones, M. T. 1999. 'The institutional determinants of social responsibility'. *Journal of Business Ethics*, 20(2), pp. 163-179.

Jones, T. M. 1980. 'Corporate social responsibility revisited, redefined'. *California Management Review*, Spring, pp. 59-67.

Josefy, M., Kuban, S., Ireland, R.D. and Hitt, M.A. 2015. 'All things great and small: Organizational size, boundaries of the firm, and a changing environment'. *The Academy of Management Annals*, 9(1), pp. 715-802.

Kalof, L., Dan, A. and Dietz, T. 2008. '*Essentials of social research*'. McGraw-Hill Education (UK).

Kaplan, M.R. and Harrison, J.R. 1993. 'Defusing the director liability crisis: The strategic management of legal threats'. *Organization Science*, 4(3), pp. 412-432.

Kaplan, R. W., and Saccuzzo, D. P. 1982. '*Psychological Testing. Principles, Applications, and Issues*'. Monterey, CA, Brooks/Cole.

Kaptein, M. and Van Tulder, R. 2003. 'Toward Effective Stakeholder Dialogue', *Business and Society Review* 108 (Summer), pp. 203–225.

Katz, D. and Kahn, R.L. 1966. '*The Social Psychology of Organizations*'. New York: Wiley.

Kaufman, A.M., Englander, E.J. and Marcus, A.A. 1993. 'Selecting an organizational structure for implementing issues management: A transaction costs and agency theory perspective'. *Sage Focus Editions*, 163, pp. 148-148.

Kazem, A. A. 1997. '*The Muslim Brotherhood: Historic Background and the Ideological Origin*', in Al-Urdun Al-Jadid Research Centre, Islamic Movements in Jordan, Amman: Sindbad Publishing House, pp. 13-43.

Kerr, A.W., Hall, H.K. and Kozub, S.A. 2002. '*Doing Statistics with SPSS*'. London, Sage Publications.

Killick, N., Srikantha, V., and Gunduz, C. 2006. 'The role of local business in peace building'. *Berghof Research Centre for Constructive Conflict Management*.

King, W. and D. Cleland. 1978. '*Strategic Planning and Policy*'. New York, Van Nostrand Reinhold Co.

Koerber, C. P. 2009. 'Corporate responsibility standards: Current implications and future possibilities for peace through commerce'. *Journal of business ethics*, 89(4), pp. 461-480.

Kolk, A. and Lenfant, F. 2010. 'MNC reporting on CSR and conflict in Central Africa'. *Journal of Business Ethics*, 93(2), pp. 241-255.

Kolk, A. and Lenfant, F. 2012. 'Business–NGO collaboration in a conflict setting partnership activities in the Democratic Republic of Congo'. *Business & Society*, 51(3), pp. 478-511.

Kolk, A. and Lenfant, F. 2013. 'Multinationals, CSR and partnerships in Central African conflict countries'. *Corporate Social Responsibility and Environmental Management*, 20(1), pp. 43-54.

Kolk, A., and van Tulder, R. 2010. 'International Business, Corporate Social Responsibility and Sustainable Development'. *International Business Review* 19(1), pp. 119–125.

Konczak, L.J. 2001. 'The process of business/environmental collaborations: partnering for sustainability'. *Personnel Psychology*, 54(2), p. 515.

Kostova, T., Roth, K. and Dacin, M.T. 2008. 'Institutional theory in the study of multinational corporations: A critique and new directions'. *Academy of Management Review*, 33(4), pp. 994-1006.

- Labaree, R. V. 2002. 'The risk of 'going observationalist': negotiating the hidden dilemmas of being an insider participant observer'. *Qualitative Research*, 2(1), pp. 97-122.
- Lamberti, L. and Lettieri, E. 2009. 'CSR practices and corporate strategy: Evidence from a longitudinal case study'. *Journal of Business Ethics*, 87(2), pp. 153-168.
- Lang, H., Wechsler, W., and Awadallah, A. 2017. 'The future of U.S- Jordanian counterterrorism cooperation'. *Centre for American Progress*.
- Larobina, M.D. and Pate, R.L. 2009. 'The impact of terrorism on business'. *Journal of Global Business Issues*, 3(1), p. 147.
- Lee, J.E. and Lemyre, L. 2009. 'A social-cognitive perspective of terrorism risk perception and individual response in Canada'. *Risk Analysis: An International Journal*, 29(9), pp. 1265-1280.
- Leech, N. L. and Onwuegbuzie, A. J. 2009. 'A typology of mixed methods research designs'. *Quality & Quantity*, 43(2), pp. 265-275.
- Lefever, S., Dal, M. and Matthiasdottir, A. 2007. 'Online data collection in academic research: advantages and limitations'. *British Journal of Educational Technology*, 38(4), pp. 574-582.
- Lewis, J.R. 1993. 'Multipoint scales: Mean and median differences and observed significance levels'. *International Journal of Human-Computer Interaction*, 5(4), pp. 383-392.
- Lewis, P.V. 1985. 'Defining 'business ethics': Like nailing jello to a wall'. *Journal of Business Ethics*, 4(5), pp. 377-383.

Li, Q. and Vashchilko, T. 2010. 'Dyadic military conflict, security alliances, and bilateral FDI flows'. *Journal of International Business Studies*, 41(5), pp. 765-782.

Li, S., Tallman, S. B. and Ferreira, M. P. 2005. 'Developing the eclectic paradigm as a model of global strategy: An application to the impact of the Sep. 11 terrorist attacks on MNE performance levels'. *Journal of International Management*, 11(4), pp. 479-496.

Lieberfeld, D. 2002. 'Evaluating the contributions of track-two diplomacy to conflict termination in South Africa, 1984-90'. *Journal of Peace Research*, 39(3), pp. 355-372.

Lindgreen, A., Swaen, V. and Johnston, W.J. 2009. 'Corporate social responsibility: An empirical investigation of US organizations'. *Journal of Business Ethics*, 85(2), pp. 303-323.

Lourenço, I.C. and Branco, M.C. 2013. 'Determinants of corporate sustainability performance in emerging markets: the Brazilian case'. *Journal of Cleaner Production*, 57, pp. 134-141.

Lozano, J., Albareda, L., Ysa, T., Roscher, H. and Marcuccio, M. 2007. 'Governments and corporate social responsibility: Public policies beyond regulation and voluntary compliance'. Springer.

Lozano, R. 2013. 'Are companies planning their organisational changes for corporate sustainability? An analysis of three case studies on resistance to change and their strategies to overcome it'. *Corporate Social Responsibility and Environmental Management*, 20(5), pp. 275-295.

Lubeck, P. 1996. 'Islamic responses to globalization: cultural conflict in Egypt, Algeria and Malaysia', in B. Crowford and R. Lipschutz (eds) *The Causes of Cultural Conflict, International and Area Studies*, pp. 293-319.

Luo, Y. 2006. 'Political Behavior, Social Responsibility, and Perceived Corruption: A Structuration Perspective.' *Journal of International Business Studies* 37(6), pp. 747–766.

Luo, Y. and Shenkar, O. 2006. 'The multinational corporation as a multilingual community: Language and organization in a global context'. *Journal of International Business Studies*, 37(3), pp. 321-339.

MacPherson, A.D., McConnell, J.E., Vance, A. and Vanchan, V. 2006. 'The impact of US government antiterrorism policies on Canada-US cross-border commerce: An exploratory study from Western New York and Southern Ontario'. *The Professional Geographer*, 58(3), pp. 266-277.

Majumdar, S.K. 1997. 'The impact of size and age on firm-level performance: some evidence from India'. *Review of Industrial Organization*, 12(2), pp. 231-241.

Manakkalathil, J. and Rudolf, E. 1995. 'Corporate social responsibility in a globalizing market'. *SAM Advanced Management Journal*, 60(1), p. 29.

Manne, H. G., & Wallich, H. C. 1972. *'The modern corporation and social responsibility'*. Washington, DC: American Enterprise Institute for Public Policy Research.

Mansfield, E. D. and Pevehouse, J. C. 2000. 'Trade blocs, trade flows, and international conflict'. *International organization*, 54(4), pp. 775-808.

Mansfield, E. D. and Pollins, B. M. 2001. 'The Study of Interdependence and Conflict: Recent advances, open questions, and directions for future research'. *Journal of Conflict Resolution*, 45(6), pp. 834-860.

Maon, F., Lindgreen, A. and Swaen, V. 2009. 'Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice'. *Journal of Business Ethics*, 87(1), pp. 71-89.

Marton-Williams, J. 1986. 'Questionnaire design. Consumer market research handbook'.

Maskaliunaite, A. 2002. 'Defining terrorism in the political and academic discourse'. *Public Defence Review*, 2(8), pp. 36-50.

McAdam, T.W. 1973. 'How to put corporate responsibility into practice'. *Business and Society Review/Innovation*, 6(1973), pp. 8-16.

McGorry, S.Y. 2000. 'Measurement in a cross-cultural environment: survey translation issues'. *Qualitative Market Research: An International Journal*, 3(2), pp. 74-81.

McGuire, J. W. 1963. '*Business and society*'. New York, McGraw-Hill

McWilliams, A. and Siegel, D. 2001. 'Corporate social responsibility: A theory of the firm perspective'. *Academy of Management Review*, 26(1), pp. 117-127.



McWilliams, A. and Siegel, D. 2011. 'Creating and capturing value: Strategic corporate social responsibility, resource-based theory, and sustainable competitive advantage'. *Journal of Management*, 37(5), pp. 1480-1495.

Mehic, E., Silajdzic, S., and Babic-Hodovic, V. 2013. 'The Impact of FDI on Economic Growth: Some Evidence from Southeast Europe'. *Emerging Markets Finance & Trade*, 49(1), pp. 5–20.

Merton, R.K. 1940/1957. 'Bureaucratic structure and personality'. In '*Social Theory and Social Structure*', pp. 195-206. Glencoe, IL, Free Press.

Merton, R.K. 1936. 'The unanticipated consequences of purposive social action'. *American Sociological Review*, 1(6), pp. 894-904.

Meyer, J.W. and Rowan, B. 1977. 'Institutionalized organizations: Formal structure as myth and ceremony'. *American Journal of Sociology*, 83(2), pp. 340-363.

Michel, A. and Shaked, I. 1986. 'Multinational corporations vs. domestic corporations: Financial performance and characteristics'. *Journal of International Business Studies*, 17(3), pp. 89-100.

Mileti, D. 1999. '*Disasters by design: A reassessment of natural hazards in the United States*'. Joseph Henry Press, Washington, D.C.

Milton-Edwards, B. 1996. 'Climate of change in Jordan's Islamist's movement', in S. Abdelsalam and E. Annoushiravan (eds) *Islamic Fundamentalism*, pp. 123-142.

Milton-Edwards, B. 2017. 'Grappling with Islamism: assessing Jordan's evolving approach'. *Brookings Doha Centre Analysis Paper*.

Mishra, S., and D. Suar. 2010. 'Does Corporate Social Responsibility Influence Firm Performance of Indian Companies?'. *Journal of Business Ethics*, 95(4), pp. 571–601.

Montgomery, D.C., Peck, E.A. and Vining, G.G. 2012. *Introduction to linear regression analysis*. John Wiley & Sons.

Muller, M. 2007. 'What's in a word? Problematizing translation between languages'. *Area*, 39(2), pp. 206-213.

Murphy, K. R. and Davidshofer, C. O. 1988. *Psychological Testing: Principles and Applications*. Englewood Cliffs, NJ: Prentice-Hall.

Murray, K.B. and Vogel, C.M. 1997. 'Using a hierarchy-of-effects approach to gauge the effectiveness of corporate social responsibility to generate goodwill toward the firm: Financial versus nonfinancial impacts'. *Journal of Business Research*, 38(2), pp. 141-159.

Myers, M. D. 2013. *Qualitative research in business and management*. Sage.

Nasi, J., Nasi, S., Phillips, N. and Zyglidopoulos, S. 1997. 'The evolution of corporate social responsiveness: An exploratory study of Finnish and Canadian forestry companies'. *Business & Society*, 36(3), pp. 296-321.

Nelson, J. 2000. *The business of peace*. Prince of Wales Business Forum, London.

Neuman, W.L. 2013. *'Social research methods: Qualitative and quantitative approaches'*. Pearson education.

Newgren, K. 1977. 'Social forecasting: An overview of current business practices'. In Carroll A. B. (Ed.), *'Managing corporate social responsibility'*. Boston: Little, Brown.

Nigh, D. 1986. 'Political events and the foreign direct investment decision: An empirical examination.' *Managerial and Decision Economics*, 7(2), pp. 99-106.

North Atlantic Treaty Organisation (NATO). 2017. 'Countering terrorism'. [Online] [Accessed 11<sup>th</sup> February 2017] [https://www.nato.int/cps/en/natohq/topics\\_77646.htm](https://www.nato.int/cps/en/natohq/topics_77646.htm)

Novak, M. 1996. *'Business as a Calling: Work and the Examined Life'*. The Free Press, New York.

Nunnally, Jum C. 1967. *'Psychometric Theory'*. New York, McGraw-Hill.

O' Riordan L and Fairbrass J. 2008. 'Corporate social responsibility (CSR): Models and theories in stakeholder dialogue'. *Journal of Business Ethics*, 83(4), pp. 745-758.

O'Shaughnessy, K.C., Gedajlovic, E. and Reinmoeller, P. 2007. 'The influence of firm, industry and network on the corporate social performance of Japanese firms'. *Asia Pacific Journal of Management*, 24(3), pp. 283-303.

OECD. 2005. *'OECD Small and medium sized enterprises (SMEs) and entrepreneurship outlook'*. OECD: Paris.

Oetzel, J. and Getz, K. 2012. 'Why and how might firms respond strategically to violent conflict?'. *Journal of International Business Studies*, 43(2), pp. 166-186.

Oetzel, J., Getz, K. A. and Ladek, S. 2007. 'The Role of Multinational Enterprises in Responding to Violent Conflict: A Conceptual Model and Framework for Research'. *American Business Law Journal*, 44(2), pp. 331-358.

Oetzel, J., Westermann-Behaylo, M., Koerber, C., Fort, T.L. and Rivera, J. 2009. 'Business and peace: Sketching the terrain'. *Journal of Business Ethics*, 89(4), pp. 351-373.

Oh, C.H. and Oetzel, J. 2011. 'Multinationals' response to major disasters: how does subsidiary investment vary in response to the type of disaster and the quality of country governance?'. *Strategic Management Journal*, 32(6), pp. 658-681.

Oliver, C. 1991. 'Strategic responses to institutional processes'. *Academy of management review*, 16(1), pp. 145-179.

Oren, M. 1990. 'A winter of discontent: Britain's crisis in Jordan'. *International Journal of Middle East*, 22(2), pp. 171-184.

Pallant, J. 2013. '*SPSS survival manual*'. McGraw-Hill Education (UK).

Papandreou, A.G. 1973. 'The multinational corporation'. *The American Economist*, 17(2), pp. 154-160.

Park, B.I. and Ghauri, P.N. 2015. 'Determinants influencing CSR practices in small and medium sized MNE subsidiaries: A stakeholder perspective'. *Journal of World Business*, 50(1), pp. 192-204.

Park, B.I., Chidlow, A. and Choi, J. 2014. 'Corporate social responsibility: Stakeholders influence on MNEs' activities'. *International Business Review*, 23(5), pp. 966-980.

Pater, A., and K. van Lierop. 2006. 'Sense and Sensitivity: The Roles of Organisation and Stakeholders in Managing Corporate Social Responsibility'. *Business Ethics: A European Review*, 15(4), pp. 339–351.

Pedersen, E.R.G. 2011. 'All Animals Are Equal, but...: Management Perceptions of Stakeholder Relationships and Societal Responsibilities in Multinational Corporations'. *Business Ethics: A European Review*, 20(2), pp. 177–191.

Pedersen, M.J. and Nielsen, C.V. 2016. 'Improving survey response rates in online panels: Effects of low-cost incentives and cost-free text appeal interventions'. *Social Science Computer Review*, 34(2), pp. 229-243.

Peloza, J. and Shang, J. 2011. 'How can corporate social responsibility activities create value for stakeholders? A systematic review'. *Journal of the Academy of Marketing Science*, 39(1), pp. 117-135.

Perrow, C. 1986. '*Complex organizations: A critical perspective*'. New York, McGrawHill.

Perry, F.V. 2011. 'Multinationals at Risk: Terrorism and the Rule of Law'. *FIU L. Rev.*, 7, p. 43.

Petersen K. L. 2008a. 'When risk meets security'. *Alternatives: Global, Local, Political*, 33(2), pp. 173–190.

Petersen K. L. 2008b. 'Risk, responsibility and roles redefined: Is counter-terrorism a corporate responsibility?'. *Cambridge Review of International Affairs*, 21(3), pp. 403–420.

Pfeffer, J. 1981. '*Power in Organizations*'. Ballinger, Cambridge, MA.

Pfeffer, J. and Salancik, G.R. 1978. '*The external control of organizations: A resource dependence approach*'. NY, Harper and Row Publishers.

Phillips, R., Freeman, R.E. and Wicks, A.C. 2003. 'What stakeholder theory is not'. *Business Ethics Quarterly*, 13(4), pp. 479-502.

Picciotto, S. 2003. 'Corporate social responsibility for international business. In the development dimension of FDI: policy and rule-making perspectives'. *Secretariat, U.N.C.T.A.D.*, 2003.

Podsakoff, P.M., MacKenzie, S.B., Lee, J.Y. and Podsakoff, N.P. 2003. 'Common method biases in behavioral research: A critical review of the literature and recommended remedies'. *Journal of Applied Psychology*, 88(5), p. 879.

Polonsky, M. and Jevons, C. 2009. 'Global branding and strategic CSR: an overview of three types of complexity'. *International Marketing Review*, 26(3), pp. 327-347.

Post, J.E. and Mellis, M. 1978. 'Corporate responsiveness and organizational learning'. *California Management Review*, 20(3), pp. 57-63.

Powers, M. and Choi, S.W. 2012. 'Does transnational terrorism reduce foreign direct investment? Business-related versus non-business-related terrorism'. *Journal of Peace Research*, 49(3), pp. 407-422.

Preston, C.C., & Colman, A.M. 2000. 'Optimal number of response categories in rating scales: Reliability, validity, discriminating power, and respondent preferences'. *Acta Psychologica*, 104, pp. 1-15.

Preston, L.E. and Post, J.E. 1975. '*Private management and public policy*'. Prentice Hall, Englewood Cliffs.

Qu, R. 2007. 'Effects of government regulations, market orientation and ownership structure on corporate social responsibility in China: An empirical study'. *International Journal of Management*, 24(3), p. 582.

Rabie, Z.M., 2016. 'Jordan Role in Compacting International Terrorism'. *Journal of Politics and Law*, 9, pp.65-76.

Ramchander, S., Schwebach, R.G. and Staking, K.I.M. 2012. 'The informational relevance of corporate social responsibility: Evidence from DS400 index reconstitutions'. *Strategic Management Journal*, 33(3), pp. 303-314.

Rasche, A., Baur, D., van Huijstee, M., Ladek, S., Naidu, J., Perla, C., Schouten, E., Valente, M. and Zhang, M. 2008. 'Corporations as political actors—A report on the first Swiss master class in corporate social responsibility'. *Journal of Business Ethics*, 80(2), p. 151.

Rathert, N. 2016. 'Strategies of legitimation: MNEs and the adoption of CSR in response to host-country institutions'. *Journal of International Business Studies*, 47(7), pp. 858-879.

Rauter, R., Jonker, J. and Baumgartner, R.J. 2017. 'Going one's own way: drivers in developing business models for sustainability'. *Journal of Cleaner Production*, 140, pp. 144-154.

Reimann, F., M. Ehrigott, Kaufmann, L., and Carter, C. R. 2012. 'Local Stakeholders and Local Legitimacy: MNEs' Social Strategies in Emerging Economies'. *Journal of International Management*, 18(1), pp. 1–17.

Richards, A. and Waterbury, J. 1996. '*A Political Economy of the Middle East*'. Oxford: Westview.

Robèrt, K.H., Schmidt-Bleek, B., De Larderel, J.A., Basile, G., Jansen, J.L., Kuehr, R., Thomas, P.P., Suzuki, M., Hawken, P. and Wackernagel, M. 2002. 'Strategic sustainable development-selection, design and synergies of applied tools'. *Journal of Cleaner Production*, 10(3), pp. 197-214.

Robertson, C.J. 2008. 'An analysis of 10 years of business ethics research in strategic management journal: 1996–2005'. *Journal of Business Ethics*, 80(4), pp. 745-753.

Robertson, C.J., Blevins, D.P. and Duffy, T. 2013. 'A five-year review, update, and assessment of ethics and governance in Strategic Management Journal'. *Journal of Business Ethics*, 117(1), pp. 85-91.

Robson, C. 2011. '*Real world research: a resource for users of social research methods in applied settings*'. Wiley Chichester.



Rodriguez, P., Siegel, D.S., Hillman, A. and Eden, L. 2006. 'Three lenses on the multinational enterprise: Politics, corruption, and corporate social responsibility'. *Journal of International Business Studies*, 37(6), pp. 733-746.

Rogan, E. L. and Tell, T. (1994). '*Village, Steppe and State: The Social Origins of Modern Jordan*'. London: British Academic Press.

Rosemont, H. 2014. 'Private sector engagement in the UK's counter-terrorism strategy: a new agenda'. *Behavioral Sciences of Terrorism and Political Aggression*, 6(2), pp. 147-161.

Roth, K. and Kostova, T. 2003. 'The use of the multinational corporation as a research context'. *Journal of Management*, 29(6), pp. 883-902.

Rothschild, W. 1976. '*Putting It All Together*'. New York, AMACOM.

Sageman, M. 2014. 'The stagnation in terrorism research'. *Terrorism and Political Violence*, 26(4), pp. 565-580.

Saleem, M. and Tahir, M.A. 2014. 'On Defining Terrorism: Text and Context—a Qualitative Approach'. *The Dialogue*, 9(1), pp. 27-38.

Saunders, M., Lewis, P. and Thornhill, A. 2009. '*Research methods for business students*'. Pearson education.

Sauser Jr, W.I. 2005. 'Ethics in business: Cultures of defiance, compliance, neglect and character'. *Good Business*, 4 (1).

Scalet, S. and Kelly, T.F. 2010. 'CSR rating agencies: What is their global impact?'. *Journal of Business Ethics*, 94(1), pp. 69-88.

Scherer, A. G. and Palazzo, G. 2007. 'Toward a political conception of corporate responsibility. Business and society seen from a Habermasian perspective'. *Academy of Management Review*, 32, pp. 1096–1120

Scherer, A. G. and Palazzo, G. 2011. 'The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy'. *Journal of Management Studies*, 48(4), pp. 899-931.

Schermerhorn, J. R. 2005. '*Management*'. New York, Wiley

Schmid, A.P., Jongman, A.J. and Documentatiecentrum, S.W.I.E. 1984. '*Political terrorism: A research guide to concepts, theories, data bases and literature*'. Amsterdam, North-Holland.

Schmid, A.P. and Jongman, A.J. 1988. '*Political Terrorism: A New Guide to Actors, Authors, Concepts, Data Bases, Theories and Literature*'. Amsterdam: North-Holland Publishing Company.

Schwartz, M. S., and Carroll, A. B. 2003. 'Corporate social responsibility: A three domain approach'. *Business Ethics Quarterly*, 13 (4), pp. 503-530.

Schwarz, A., Schwarz, C., Rizzuto, T. 2008. 'Examining the "Urban Legend" of common method bias: Nine common errors and their impact'. *Conference paper presented at the 41st Hawaii International Conference on System Sciences. Hawaii.*

Schwenkenbecher, A. 2012. 'What Is Terrorism?'. In '*Terrorism: A Philosophical Enquiry*', pp. 38-47. Palgrave Macmillan, London.

Scott, W.R. 1987. 'The adolescence of institutional theory'. *Administrative Science Quarterly*, pp. 493-511.

Scott, W.R. 2008. '*Institutions and organizations: Ideas and interests*'. Sage.

Selekman, B. 1959. '*A moral philosophy for business*'. New York, McGraw-Hill.

Selznick, P. 1957. '*Leadership in Administration*'. New York, Harper and Row.

Sethi, S. P. 1975. 'Dimensions of corporate social performance: An analytic framework'. *California Management Review*, 17, pp. 58-64.

Shaheen, K. 2017. 'Bomb violence with mercy: anti-terror ad goes viral in Middle East'. [Online] [Accessed 7<sup>th</sup> June 2017] <https://www.theguardian.com/world/2017/may/29/bomb-violence-mercy-anti-terror-ad-goes-viral-middle-east>

Sheffi, Y. 2001. 'Supply chain management under the threat of international terrorism'. *The International Journal of Logistics Management*, 12(2), pp. 1-11.

Shengelia, T. 2015. 'Terrorism, as socio-political phenomenon and impeding factor for global business'. *Ecoforum Journal*, 4(2), pp. 80-86

Shenkar, O., Luo, Y. and Chi, T. 2014. '*International business*'. Routledge.

Shirodkar, V., Beddewela, E. and Richter, U.H. 2018. 'Firm-level determinants of political CSR in emerging economies: evidence from India'. *Journal of Business Ethics*, 148(3), pp. 673-688.

Sinai, J. 2008. 'How to define terrorism'. *Perspectives on Terrorism*, 2(4), pp. 9-11.

Singh, K. 2007. '*Quantitative social research methods*'. Sage.

Sinkovics, R. R. and Ghauri, P. N. 2008. 'Enhancing the trustworthiness of qualitative research in international business'. *Management International Review*, 48(6), pp. 689-714.

Smith, G. and Feldman, D. 2003. '*Company codes of conduct and international standards: An analytical comparison*'. World Bank.

Snider, J., Hill, R.P. and Martin, D. 2003. 'Corporate social responsibility in the 21st century: A view from the world's most successful firms'. *Journal of Business Ethics*, 48(2), pp. 175-187.

Somekh, B. and Lewin, C. 2005. '*Research Methods in the Social Sciences*'. Sage Publications.

Spector, P.E. and Brannick, M.T. 2011. 'Methodological urban legends: The misuse of statistical control variables'. *Organizational Research Methods*, 14(2), pp. 287-305.

Spich, R. and Grosse, R. 2005. 'How does homeland security affect US firms' international competitiveness?'. *Journal of International Management*, 11(4), pp. 457-478.

Stanaland, A. J. S., Lwin, M. O., and Murphy, P. E. 2011. 'Consumer Perceptions of the Antecedents and Consequences of Corporate Social Responsibility'. *Journal of Business Ethics*, 102(1), pp. 47–55.

Stanford Research Institute. 1963. *SRI Journal*, 7(1).

Steen, J., Liesch, P.W., Knight, G.A. and Czinkota, M.R. 2006. 'The contagion of international terrorism and its effects on the firm in an interconnected world'. *Public Money and Management*, 26(5), pp. 305-312.

Steiner, G. A. 1971. '*Business and society*'. New York, Random House.

Steiner, G. A. 1972. 'Social policies for business'. *California Management Review*, 15(2), pp. 17-24.

Stevens, J. 1996. '*Applied multivariate statistics for social sciences*'. Boston, Houghton Mifflin.

Stohl, M. 2006. 'Cyber terrorism: a clear and present danger, the sum of all fears, breaking point or patriot games?'. *Crime, Law and Social Change*, 46(4-5), pp. 223-238.

Strand, R. 1983. 'A systems paradigm of organizational adaptations to the social environment'. *Academy of Management Review*, 8, pp. 90-96.

Strauss, A. L. 1987. '*Qualitative analysis for social scientists*'. Cambridge University Press.

Sturdivant, F.D. and Ginter, J.L. 1977. 'Corporate social responsiveness: Management attitudes and economic performance'. *California Management Review*, 19(3), pp. 30-39.

Suder, G. G. 2004. '*Terrorism and the international business environment: the security-business nexus*'. Edward Elgar Publishing.

Suits, D. B. 1957. 'Use of dummy variables in regression equations'. *Journal of the American Statistical Association*, 52(280), pp. 548-551.

Sullivan, D. 1998b. 'Cognitive Tendencies in International Business Research: Implications of a "Narrow Vision"'. *Journal of International Business Studies*, pp. 837-862.

Tabachnick, B. G. and Fidell, L. S. 2013. '*Using multivariate statistics*'. Allyn & Bacon, Pearson Education.

Taylor, B. 1971. 'The Future Development of Corporate Strategy'. *The Journal of Business Policy* 2(2), pp. 22-38.

The Jordan Times. (2017). 'Societies, NGOs included in anti-money laundering, terrorism law'. [Online] [Accessed 4<sup>th</sup> May 2017] <http://www.jordantimes.com/news/local/societies-ngos-included-anti-money-laundering-terrorism-law>

The World Bank. 2018. 'Country profile of Jordan'. [Online] [Accessed 22<sup>nd</sup> April 2018] <http://www.worldbank.org/en/country/jordan/overview>

The World Bank. 2016. 'The Middle East', [Online] [Accessed 3<sup>rd</sup> November 2016] <http://www.worldbank.org/en/news/press-release/2016/10/05/economic-and-social-inclusion-helps-prevent-violent-extremism-and-contribute-to-growth-in-mena>

Thornhill, S. and Amit, R. 2003. 'Learning about failure: Bankruptcy, firm age, and the resource-based view'. *Organization Science*, 14(5), pp. 497-509.

Torres-Baumgarten, G., and Yucetepe, V. 2008. 'Multinational Firms' Leadership Role in Corporate Social Responsibility in Latin America'. *Journal of Business Ethics*, 85(1), pp. 217–224.

Tregidga, H., Milne, M. and Kearins, K. 2014. '(Re) presenting 'sustainable organizations''. *Accounting, Organizations and Society*, 39(6), pp. 477-494.

Trigg, R. 1985. '*Understanding social science: A philosophical introduction to the social sciences*'. Basil Blackwell.

United Nations Global Compact. 2016. [Online] [Accessed 6<sup>th</sup> January 2016] <https://www.unglobalcompact.org/what-is-gc/participants>

United Nations International Convention for the Suppression of the Financing of Terrorism (UNICSFT). 1999. [Online] [Accessed 16<sup>th</sup> November 2014] <http://www.un.org/law/cod/finterr.htm>

Urquhart, C. and Fernández, W. 2013. 'Using grounded theory method in information systems: the researcher as blank slate and other myths'. *Journal of Information Technology*, 28(3), pp. 224-236.

Valiente, J.M.A., Ayerbe, C.G. and Figueras, M.S. 2012. 'Social responsibility practices and evaluation of corporate social performance'. *Journal of Cleaner Production*, 35, pp. 25-38.

Van Tulder, R. and Kolk, A. 2001. 'Multinationality and corporate ethics: Codes of conduct in the sporting goods industry'. *Journal of International Business Studies*, 32(2), pp. 267-283.

Waddock, S. 2008. 'Building a new institutional infrastructure for corporate responsibility'. *Academy of Management Perspectives*, 22(3), pp. 87-108.

Wallace, J.S. 2003. 'Value maximization and stakeholder theory: Compatible or not?'. *Journal of Applied Corporate Finance*, 15(3), pp. 120-127.

Walliman, N. 2006. '*Social research methods*'. Sage.

Walliman, N. 2011. '*Research methods: The basics*'. Routledge.

Walter, C. 2004. 'Defining terrorism in national and international law'. In '*Terrorism as a Challenge for national and international Law: Security versus Liberty*', p. 24. Springer.

Walton, C. C. 1967. '*Corporate social responsibilities*'. Belmont, CA, Wadsworth.

Wartick, S. L., and Cochran, P. L. 1985. 'The evolution of the corporate social performance model'. *Academy of Management Review*, 10, pp. 758-769.

Wartick, S. L. and Rude, R. E. 1986. 'Issues management: Corporate fad or corporate function?'. *California Management Review*, 29(1), pp. 124-140.



Weber, O., Diaz, M. and Schwegler, R. 2014. 'Corporate social responsibility of the financial sector—Strengths, weaknesses and the impact on sustainable development'. *Sustainable Development*, 22(5), pp. 321-335.

Weinberg, L., Pedahzur, A. and Hirsch-Hoefler, S. 2004. 'The challenges of conceptualizing terrorism'. *Terrorism and Political Violence*, 16(4), pp. 777-794.

Wilkinson, P. 1997. 'The media and terrorism: A reassessment'. *Terrorism and Political Violence*, 9(2), pp. 51-64.

Wilson, I. 1975. 'What one company is doing about today's demands on business'. *Changing Business-Society Interrelationships*, pp.23-53.

World Commission on Environment and Development. 1987. '*Our Common Future*'. Oxford University Press, Oxford.

Worman, J.G. and Gray, D.H. 2012. 'Terrorism in Jordan: Politics and the Real Target Audience'. *Global Security Studies*, 3(3), pp. 94-112.

Yang, X. and Rivers, C. 2009. 'Antecedents of CSR practices in MNCs' subsidiaries: A stakeholder and institutional perspective'. *Journal of Business Ethics*, 86(2), pp. 155-169.

Yin, R.K. 2009. '*Case study research: Design and methods*'. Sage, London.

Yom, S. and Sammour, K. 2017. 'Counterterrorism and youth radicalization in Jordan: Social and political dimensions'. *CTC Sentinel*, 10(4), pp. 25-30.

Young, R. 2006. 'Defining terrorism: The evolution of terrorism as a legal concept in international law and its influence on definitions in domestic legislation'. *BC Int'l & Comp. L. Rev.*, 29, p. 23.

Yun, G. W. and Trumbo, C. W. 2000. 'Comparative Response to a Survey Executed by Post, E-mail, & Web Form'. *Journal of Computer-Mediated Communication*, 6(1), p. 613.

Yurdugül, H. 2008. 'Minimum sample size for Cronbach's coefficient alpha: a Monte-Carlo study'. *Hacettepe Üniversitesi eğitim fakültesi dergisi*, 35(35).

Zeidan, S. 2005. 'Agreeing to Disagree: Cultural Relativism and the Difficulty of Defining Terrorism in a post-9/11 world'. *Hastings Int'l & Comp. L. Rev.*, 29, p. 215.

Zenisek, T. J. 1979. 'Corporate social responsibility: A conceptualization based on organizational literature'. *Academy of Management Review*, 4, pp. 359-368.

Zucchi, K. 2016. 'What countries spend on anti-terrorism'. [Online] [Accessed 28<sup>th</sup> April 2016] <https://www.investopedia.com/articles/investing/061215/what-countries-spend-antiterrorism.asp>

# Appendices

## Appendix (1): Survey questionnaire in English



10<sup>th</sup> June 2016

### Survey on the role of Jordanian firms in the process of countering terrorism and enhancing security

Manchester Metropolitan University Business School is conducting a survey that seeks to investigate the effects of stakeholders' pressures on the process of countering terrorism and enhancing security in the Hashemite Kingdom of Jordan.

The United Nations International Convention for the Suppression and Financing of Terrorism defined terrorism as "any act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act", (UNICSTF, 1999).

Given that this definition will be used in this survey and throughout the research study, this research aims to:

- Assist managers of the headquarters of Jordanian firms in developing favourable response strategies to help in enhancing the overall security of the firms and the countries in which they operate, under explicit consideration of the pressures provided by stakeholders in both, home and host countries.
- Assist policy makers in identifying key response strategies that will help in enhancing the overall national security, which will respectively contribute to the overall counter-terrorism strategy.

### Could you please spare around 10-12 minutes of your time to fill out the enclosed questionnaire?

- The information gathered by the survey will be treated in complete confidence and no company name or person will be identified in any reports or publications that emerge from the questionnaire. This study fully complies with the Manchester Metropolitan University Academic Ethical Framework, which is available on request.
- It is important that the **Managing Director** or a **Senior Manager** involved in the main headquarters of your business fill out this questionnaire.
- A copy of the summary report of the main results and policy recommendations will be sent to all companies that return questionnaires.

If you have any questions regarding this survey and the study in question, please do not hesitate to contact Mr. Ahmad Abu-Arja (Tel.: +44(0)7523779609, or email: [a.abu-arja@mmu.ac.uk](mailto:a.abu-arja@mmu.ac.uk))

Please return the completed questionnaire by email: ([a.abu-arja@mmu.ac.uk](mailto:a.abu-arja@mmu.ac.uk)) by the 10<sup>th</sup> of August 2016.

Thank you very much for your time and cooperation.

Ahmad Abu-Arja  
Doctoral Researcher/ Associate Lecturer  
Centre for International Business and Innovation  
Faculty of Business and Law  
Manchester Metropolitan University  
All Saints Campus, Oxford Road  
Manchester, the United Kingdom M15 6BH

## 1. General Information

1.1. When did your firm register at Jordan's Chamber of Commerce?

\_\_\_\_\_.

1.2. In which country is your firm's headquarters located?

\_\_\_\_\_.

1.3. What is the approximate number of employees in your firm?

\_\_\_\_\_.

1.4. In which of the following sectors does your firm operate? (Please select **one** of the following)

- |                            |                          |                    |                          |                              |                          |
|----------------------------|--------------------------|--------------------|--------------------------|------------------------------|--------------------------|
| Automobiles and parts      | <input type="checkbox"/> | Basic resources    | <input type="checkbox"/> | Banks and financial services | <input type="checkbox"/> |
| Construction and materials | <input type="checkbox"/> | Chemicals          | <input type="checkbox"/> | Food and beverage            | <input type="checkbox"/> |
| Healthcare                 | <input type="checkbox"/> | Industrial goods   | <input type="checkbox"/> | Insurance                    | <input type="checkbox"/> |
| Media                      | <input type="checkbox"/> | Oil and gas        | <input type="checkbox"/> | Personal and household goods | <input type="checkbox"/> |
| Real estate                | <input type="checkbox"/> | Retail             | <input type="checkbox"/> | Telecommunications           | <input type="checkbox"/> |
| Technology                 | <input type="checkbox"/> | Travel and leisure | <input type="checkbox"/> | Utilities                    | <input type="checkbox"/> |

Other (Please specify): \_\_\_\_\_.

1.5. What is the position you hold in your firm?

\_\_\_\_\_.

## 2. Firm's Foreign Activity

2.1. Tick the **first answer** applicable to your firm: (Please select **one** of the following)

- |                                      |                          |
|--------------------------------------|--------------------------|
| Subsidiary (entity with >50% equity) | <input type="checkbox"/> |
| Joint Venture with equity            | <input type="checkbox"/> |
| Joint Venture without equity         | <input type="checkbox"/> |
| Partnership                          | <input type="checkbox"/> |
| Cooperation                          | <input type="checkbox"/> |
| Export                               | <input type="checkbox"/> |
| None                                 | <input type="checkbox"/> |

2.2. In which of the following countries does the foreign activity **ticked in Question 2.1** take place? (Please select **one** of the following)

**Please note that** if your firm conducts the chosen activity in several locations (e.g. several foreign subsidiaries), please select the most important in your perspective.

Afghanistan	<input type="checkbox"/>	Algeria	<input type="checkbox"/>
Colombia	<input type="checkbox"/>	Iraq	<input type="checkbox"/>
India	<input type="checkbox"/>	Nepal	<input type="checkbox"/>
Nigeria	<input type="checkbox"/>	Pakistan	<input type="checkbox"/>
Philippines	<input type="checkbox"/>	Russia	<input type="checkbox"/>
Somalia	<input type="checkbox"/>	Thailand	<input type="checkbox"/>
U.S.A	<input type="checkbox"/>	Yemen	<input type="checkbox"/>

Others (Please specify): \_\_\_\_\_.

### 3. Level of Exposure/ Concern about Terrorism

3.1. Has your firm been affected either directly or indirectly by any terrorist attacks in the past 20 years?

Yes ☐

No ☐

3.2. On a scale from 1 to 7 (1 being “**Not concerned at all**” and 7 being “**Extremely concerned**”), and by referring to the terrorism definitions provided in the cover letter, how does your firm **rate the level of concern** regarding the following statements after the incident of the Amman hotel bombings in 2005? (Please **rate** each statement in the boxes provided).

Direct attack on your firm

☐

Indirect attacks occurring in the surrounding environment of your firm

☐

Cyber terrorism (system hacking)

☐

Physical terrorism (suicide bombing, gun attacks, etc.)

☐

### 4. Security Enhancing Strategies

4.1. On a scale from 1 to 7 (1 being “**Highly unlikely**” and 7 being “**Highly likely**”), what is the likelihood of initiating the following strategies considering either;  
 1) The possibility of having been affected by terrorism in the **past**, or;  
 2) The possibility of being affected by terrorism in the **future**? (Please **rate** each strategy in the boxes provided).

Lobbying the government to actively resolve terrorism issues.

☐

Speaking out publicly against terrorism and/or its causes.	<input type="checkbox"/>
Mediating interactions between parties involved in the terrorist attack, (terrorists and their targets).	<input type="checkbox"/>
Organizing negotiations among parties involved in the terrorist attack, (terrorists and their targets).	<input type="checkbox"/>
Conforming to relevant global multilateral agreements, (UN, The World Bank, IMF, NATO, etc.).	<input type="checkbox"/>
Terminating cooperation with actors involved in human rights violations.	<input type="checkbox"/>
Adopting human resource policies that avoid aggravating social and ethnic tensions in the society.	<input type="checkbox"/>
Verifying that the participants in your supply chain have not contributed to any form of terrorism.	<input type="checkbox"/>
Adopting industry codes of conduct for operating in terrorism prone areas.	<input type="checkbox"/>
Donating resources to respond to local humanitarian crises.	<input type="checkbox"/>
Providing human rights training to the security personnel associated with your firm.	<input type="checkbox"/>
Providing evacuation training to employees and security personnel in the case of a terrorist attack.	<input type="checkbox"/>
Working independently of other organizations to respond to terrorist attacks.	<input type="checkbox"/>
Developing response strategy without consulting with others outside the firm.	<input type="checkbox"/>

Cooperating with home country non-government organisations.	<input type="checkbox"/>
Cooperating with host country non-government organisations.	<input type="checkbox"/>
Independently determining firm's own response objectives.	<input type="checkbox"/>
Participating in industry associations activities.	<input type="checkbox"/>
Working with multilateral organizations, (UN, The World Bank, IMF, NATO, etc.).	<input type="checkbox"/>
Working with the home country government.	<input type="checkbox"/>
Working with multinational companies.	<input type="checkbox"/>
Collaborating with local companies in the host countries.	<input type="checkbox"/>
Cooperating with other organizations in planning response strategies.	<input type="checkbox"/>
Acquiring the technology for cyber-attacks protection	<input type="checkbox"/>
Negotiating with the groups who might threaten the security of the firm	<input type="checkbox"/>

## 5. Stakeholder Pressures

- 5.1. On a scale from 1 to 7 (1 being “**Not important at all**” and 7 being “**Extremely important**”, how important are the following types of stakeholders in terms of making the decision to initiate any of the strategies **mentioned in question 4.1**? (Please **rate** each stakeholder in the boxes provided).

Stakeholder Type	Located in the <b>Home</b> Country	Located in the <b>Host</b> Country
Consumers.	<input type="checkbox"/>	<input type="checkbox"/>
Employees	<input type="checkbox"/>	<input type="checkbox"/>
Governments	<input type="checkbox"/>	<input type="checkbox"/>
Media	<input type="checkbox"/>	<input type="checkbox"/>
Shareholders/Investors	<input type="checkbox"/>	<input type="checkbox"/>
Community Leaders	<input type="checkbox"/>	<input type="checkbox"/>
Non-Government Organisations (NGOs)	<input type="checkbox"/>	<input type="checkbox"/>

Please return the completed questionnaire by email: ([a.abu-arja@mmu.ac.uk](mailto:a.abu-arja@mmu.ac.uk)) by the 10<sup>th</sup> of August 2016.

Thank you very much for your cooperation.



## Appendix (2): Survey questionnaire in Arabic



Manchester  
Metropolitan  
University

### العاشر من حزيران ٢٠١٦

#### دراسة استقصائية عن دور الشركات الأردنية في عملية مكافحة الإرهاب وتعزيز الأمن

عزيزي المشارك، تحية طيبة وبعد،

تجري كلية إدارة الأعمال بجامعة مانشستر متروبوليتان دراسة استقصائية تهدف إلى البحث في آثار ضغوط أصحاب المصالح على الشركات الخاصة للمساهمة في عملية مكافحة الإرهاب وتعزيز الأمن في المملكة الأردنية الهاشمية.

وقد عرفت اتفاقية الأمم المتحدة الدولية لقمع تمويل الإرهاب، الإرهاب بأنه "أي عمل يهدف إلى التسبب في موت شخص مدني أو أي شخص آخر، أو إصابته بجروح بدنية جسيمة، عندما يكون هذا الشخص غير مشترك في أعمال عدائية في حالة نشوب نزاع مسلح، عندما يكون الغرض من هذا العمل، بحكم طبيعته أو في سياقه، موجهاً لترويع السكان أو لإرغام حكومة أو منظمة دولية على القيام بأي عمل أو الامتناع عن القيام به" (UNICSFT, 1999).

وبالنظر إلى أن هذا التعريف الذي سيستخدم في هذه الدراسة البحثية، تهدف هذه الدراسة إلى:

- مساعدة مدراء مقرات الشركات الأردنية في وضع استراتيجيات استجابة مواتية للمساعدة في تعزيز الأمن العام للشركات والبلدان التي يعملون بها، وذلك في إطار النظر في الضغوطات التي يمارسها أصحاب المصالح في كل من البلد الأم والبلدان المضيفة للشركات.
- مساعدة واضعي السياسات في تحديد استراتيجيات الاستجابة الرئيسية التي من شأنها أن تساعد في تعزيز الأمن العام، والتي ستسهم في تحسين الاستراتيجيات الشاملة لمكافحة الإرهاب.

تستغرق عملية ملء الاستبانة المرفقة مدة ما بين الـ ١٠ والـ ١٢ دقيقة في المجلد.

- سيتم التعامل مع المعلومات التي يتم جمعها بسرية تامة، ولن يتم تحديد اسم الشركة أو الشخص المشارك في أي من التقارير أو المنشورات التي ستنشأ عن الاستبانة. وتتوافق هذه الدراسة تماماً مع إطار أخلاقيات البحث العلمي لجامعة مانشستر متروبوليتان، والذي تتوفر للمراجعة عند الطلب.
- من المهم أن يقوم أحد أعضاء مجلس الإدارة في الشركة بملء هذه الاستبانة.
- سيتم إرسال نسخة من التقرير الموجز عن النتائج الرئيسية والتوصيات المتعلقة بهذه الدراسة إلى جميع الشركات التي تقوم بالمشاركة.

إذا كانت لديك أية أسئلة تتعلق بهذه الدراسة المعنية، الرجاء عدم التردد في الاتصال بالسيد أحمد أبو عرجة هاتف: (+44(0)7523779609) أو البريد الإلكتروني: (a.abu-arja@mmu.ac.uk)

الرجاء إعادة الاستبانة المرفقة عن طريق البريد الإلكتروني إلى: (a.abu-arja@mmu.ac.uk) بحلول العاشر من أغسطس 2016.

شكراً جزيلاً على تعاونكم وتفضلوا بقبول فائق الاحترام.

أحمد أبو عرجة

باحث ومحاضر مشارك

كلية إدارة الأعمال والقانون

جامعة مانشستر متروبوليتان

مانشستر، المملكة المتحدة

## 1. معلومات عامة

1.1 متى تم تسجيل شركتك في غرفة تجارة الأردن؟

\_\_\_\_\_

1.2 في أي بلد تقع المكاتب الرئيسية لشركتك؟

\_\_\_\_\_

1.3 ما العدد التقريبي لموظفي الشركة؟

\_\_\_\_\_

1.4 في أي من القطاعات التالية تخصص الشركة؟ (الرجاء اختيار واحد من الخيارات التالية)

<input type="checkbox"/> السيارات وقطع الغيار	<input type="checkbox"/> الموارد الأساسية	<input type="checkbox"/> البنوك والخدمات المصرفية
<input type="checkbox"/> الإنشاءات ومواد البناء	<input type="checkbox"/> الصناعات الكيماوية	<input type="checkbox"/> الغذاء والشراب
<input type="checkbox"/> الخدمات الطبية	<input type="checkbox"/> المواد الصناعية	<input type="checkbox"/> التأمين
<input type="checkbox"/> الإعلام	<input type="checkbox"/> البترول ومشتقاته	<input type="checkbox"/> الأدوات المنزلية
<input type="checkbox"/> العقارات	<input type="checkbox"/> التجارة العامة	<input type="checkbox"/> الاتصالات
<input type="checkbox"/> التكنولوجيا	<input type="checkbox"/> السياحة والسفر	<input type="checkbox"/> الخدمات العامة (ماء، كهرباء)

قطاعات أخرى (الرجاء التحديد):

\_\_\_\_\_

1.5 ما المنصب الذي تتولاه في الشركة؟

\_\_\_\_\_

## 2. نشاط الشركة العالمي/ الأجنبي

2.1 الرجاء اختيار الجواب الأول المطابق لشركتك (الرجاء اختيار واحد من الخيارات التالية)

☐ شركة فرعية (ملكية أكثر من 50%)

☐

مشروع مشترك (مع الملكية)

☐

مشروع مشترك (بدون ملكية)

☐

شراكة تجارية

☐

تعاون تجاري

☐

تصدير

☐

لا يوجد نشاط عالمي/أجنبي

2.2 في أي من البلدان التالية يقع النشاط العالمي/الأجنبي الذي تم اختياره في سؤال رقم 2.1 (الرجاء اختيار واحد من الخيارات التالية)  
نود الإشارة أنه إذا كان النشاط المختار يتم في عدة مواقع، الرجاء اختيار الموقع الأشد أهمية في رأيك.

☐

الجزائر

☐

أفغانستان

☐

العراق

☐

كولومبيا

☐

نيبال

☐

الهند

☐

باكستان

☐

نيجيريا

☐

روسيا الاتحادية

☐

الفلبين

☐

تايلند

☐

الصومال

☐

اليمن

☐

الولايات المتحدة الأمريكية

دول أخرى (الرجاء التحديد):

\_\_\_\_\_.

### 3. مدى التعرض إلى/ القلق من التعرض إلى هجمات إرهابية

3.1 هل تأثرت شركتك بشكل مباشر أو غير مباشر من أي هجوم إرهابي خلال العشرين سنة الماضية؟

☐

لا

☐

نعم

3.2 على مقياس من ١ إلى ٧، حيث ١ تمثل "لا يوجد قلق نهائياً" و ٧ تمثل "يوجد قلق كبير"، وبناءً على تعريف الإرهاب المذكور في الرسالة المرفقة بهذه الاستبانة، ما تقديرك لمستوى القلق في الحالات التالية بعد حادثة تفجير الفنادق في عمان عام 2005؟ (الرجاء ترقيم الحالات في الصندوق المتوفر بجانب كل حالة)

☐

الهجوم الإرهابي المباشر على الشركة

- ☐ الهجوم الإرهابي غير المباشر على الشركة
- ☐ الإرهاب الإلكتروني (قرصنة نظام الشركة الإلكتروني)
- ☐ الإرهاب المادي / الجسدي (التفجيرات الانتحارية، إطلاق النار، إلخ)

#### 4. استراتيجيات تعزيز الأمن

- 4.1 على مقياس من ١ إلى ٧، حيث ١ تمثل "من المستبعد جداً" و ٧ تمثل "من المرجح جداً"، ما احتمالية تطبيق الاستراتيجيات أو الممارسات التالية في حال:
- كانت الشركة قد تعرضت أو تأثرت من حدوث هجمات إرهابية في السابق، أو
  - كان يوجد احتمالية للتعرض أو التأثر من حدوث هجمات إرهابية في المستقبل. (الرجاء ترقيم كل استراتيجية في الصندوق المتوفر بجانبها)

<input type="checkbox"/>	ممارسة الضغط على الحكومة لحل المسائل المتعلقة بالإرهاب
<input type="checkbox"/>	التحدث علناً في المناسبات العامة عن أخطار الإرهاب ومسبباته
<input type="checkbox"/>	التوسط بين الأطراف المتورطة في العمل الإرهابي والأطراف المتضررة من العمل الإرهابي (بين الإرهابيين وضحاياهم)
<input type="checkbox"/>	تنظيم المفاوضات بين الأطراف المتورطة في العمل الإرهابي والأطراف المتضررة من العمل الإرهابي (بين الإرهابيين وضحاياهم)
<input type="checkbox"/>	الامتثال لما تنص عليه الاتفاقيات العالمية المتعددة الأطراف (الأمم المتحدة، البنك الدولي، صندوق النقد الدولي، إلخ)
<input type="checkbox"/>	إنهاء أي تعاون مع أي طرف متورط في انتهاكات لحقوق الإنسان
<input type="checkbox"/>	تبني سياسات خاصة بالموارد البشرية التي تمنع زيادة التوتر والاحتقان الاجتماعي والعنصري في المجتمع
<input type="checkbox"/>	التأكد من أن جميع الأطراف التي تتعامل معها من خلال شبكة وسلسلة التوريد لم يساهموا في إحداث أية هجمات إرهابية
<input type="checkbox"/>	تبني قواعد القطاع السلوكية في حال العمل في إحدى المناطق أو الدول المعرضة لهجمات إرهابية
<input type="checkbox"/>	التبرع بموارد لتحسين أوضاع المجتمع في حال حدوث أزمات إنسانية
<input type="checkbox"/>	توفير وتقديم تدريب خاص في شؤون حقوق الإنسان لموظفي الأمن التابعين للشركة
<input type="checkbox"/>	توفير وتقديم تدريبات إخلاء لجميع موظفي الشركة وموظفي الأمن في حال حدوث هجوم إرهابي
<input type="checkbox"/>	العمل باستقلالية تامة عن المؤسسات الأخرى في الدولة للحد من ومكافحة الإرهاب
<input type="checkbox"/>	تطوير استراتيجيات الحد من ومكافحة الإرهاب دون استشارة أية منظمة خارج الشركة
<input type="checkbox"/>	التعاون مع المنظمات غير الحكومية المحلية في حال حدوث هجوم إرهابي
<input type="checkbox"/>	التعاون مع المنظمات غير الحكومية العالمية في حال حدوث هجوم إرهابي

	تحديد أهداف الشركة في الحد من ومكافحة الإرهاب باستقلالية عن المؤسسات الأخرى
<input type="checkbox"/>	المشاركة في الأنشطة المقدمة من الجمعيات والنقابات المعنية في القطاع الذي تعمل به
<input type="checkbox"/>	التعاون مع المنظمات العالمية المتعددة الأطراف في الحد من ومكافحة الإرهاب (الأمم المتحدة، البنك الدولي، صندوق النقد الدولي، إلخ)
<input type="checkbox"/>	التعاون مع الحكومات المحلية للدول التي تعمل بها
<input type="checkbox"/>	التعاون مع الشركات المتعددة الجنسيات التي تعمل معها في نفس الدولة
<input type="checkbox"/>	التعاون مع الشركات المحلية للدول التي تعمل بها
<input type="checkbox"/>	التعاون مع المؤسسات والمنظمات الأخرى في وضع وتخطيط أساليب واستراتيجيات الحد من ومكافحة الإرهاب
<input type="checkbox"/>	الحصول على التقنية التي تساعد على حماية شبكة الشركة الإلكترونية من القرصنة
<input type="checkbox"/>	التفاوض مع الجماعات التي تهدد الأمن والأمان للشركة

## 5. ضغوطات أصحاب المصالح

5.1 على مقياس من ١ إلى ٧، حيث ١ تمثل "غير مهم نهائياً" و ٧ تمثل "مهم للغاية"، ما مقدار أهمية أصحاب المصالح التاليين في عملية اتخاذك لقرار البدء بالعمل لأي من استراتيجيات تعزيز الأمن المذكورة في السؤال رقم 4.1؟ (الرجاء ترقيم كل نوع من أنواع أصحاب المصالح في الصندوق المتوفر بجانبه)

نوع صاحب المصلحة	متواجد في الدولة الأم (مكان تواجد المكاتب الرئيسية)	متواجد في الدولة المستضيفة (مكان تواجد النشاط العالمي/الأجنبي للشركة)
المستهلكين	<input type="checkbox"/>	<input type="checkbox"/>
الموظفين	<input type="checkbox"/>	<input type="checkbox"/>
الحكومات	<input type="checkbox"/>	<input type="checkbox"/>
الإعلام	<input type="checkbox"/>	<input type="checkbox"/>
المستثمرين	<input type="checkbox"/>	<input type="checkbox"/>
قادة المجتمع المحلي	<input type="checkbox"/>	<input type="checkbox"/>
المنظمات غير الحكومية	<input type="checkbox"/>	<input type="checkbox"/>

الرجاء إعادة الاستبانة المرفقة عن طريق البريد الإلكتروني إلى: (a.abu-arja@mmu.ac.uk) بحلول العاشر من أغسطس 2016.

شكراً جزيلاً لحسن تعاونكم

والله الموفق

### Appendix (3): Conceptualisation and operationalisation of key variables

Variable conceptualisation and operationalisation			
Construct	Conceptualisation	Operationalisation	Items of construct
Direct response strategies	This construct reflects the understanding of direct strategies to respond to terrorism such as lobbying governments, or publicly condemning acts of terrorism.	The measurement of scale was made up of 5 items, designed in a 7-point Likert scale format.	Part 4 in the questionnaire: Question 4.1
Indirect response strategies	This construct reflects the understanding of indirect strategies to respond to terrorism such as adopting human rights policies, or verifying the supply chain.	The measurement of scale was made up of 9 items, designed in a 7-point Likert scale format.	Part 4: Question 4.1
Unilateral response strategies	This construct reflects the understanding of unilateral strategies to respond to terrorism such as working independently of other organisations.	The measurement of scale was made up of 3 items, designed in a 7-point Likert scale format.	Part 4: Question 4.1
Collaborative response strategies	This construct reflects the understanding of collaborative strategies to respond to terrorism such as participating in industry associations or collaborating with governments/ communities/ NGOs.	The measurement of scale was made up of 8 items, designed in a 7-point Likert scale format.	Part 4: Question 4.1
Primary stakeholders	This construct reflects the understanding of the various types of primary stakeholders such as consumers, employees, and shareholders, and how these affect the likelihood to implement response strategies.	The measurement of scale was made up of 6 items, designed in a 7-point Likert scale format.	Part 5: Question 5.1
Secondary stakeholders	This construct reflects the understanding of the various types of secondary stakeholders such as governments, NGOs, community leaders, and the media, and how these affect the likelihood to implement response strategies.	The measurement of scale was made up of 8 items, designed in a 7-point Likert scale format.	Part 5: Question 5.1
Level of concern	This construct reflects the level by which firms are concerned about terrorism in its different types (direct, indirect)	The measurement of scale was made up of 4 items, designed in a 7-point Likert scale format.	Part 3: Question 3.2

	and forms (physical, cyber), and how this affects the likelihood to implement response strategies.		
Affected by terrorism	This construct reflects the understanding of how being affected by terrorism might affect firms' likelihood to implement response strategies.	Classificatory construct and was measured by one question of binary value (Yes or No)	Part 3: Question 3.1
Terrorism-prone locations	This construct reflects the understanding of how operating in a terrorism-prone location might affect firms' likelihood to implement response strategies.	Classificatory construct and was measured by one question of nominal/categorical values.	Part 2: Question 2.2
Firm size	This construct reflects the understanding of how the size of the firm might affect their likelihood to implement response strategies.	Classificatory construct and was measured by one question about the number of employees.	Part 1: Question 1.3
Firm age	This construct reflects the understanding of how the age of the firm might affect their likelihood to implement response strategies.	Classificatory construct and was measured by one question about the year firms were established.	Part 1: Question 1.1



## Appendix (4): Data transformation and Outliers

### Transformed Variables

Variable	Transformation
Primary stakeholders	Log primary stakeholders
Secondary stakeholders	Log secondary stakeholders
Level of concern	Log level of concern
Affected by terrorism	Log affected by terrorism
Terrorism-prone locations	Log terrorism-prone locations
Firm size	Log firm size
Firm Age	Log firm age

### Outliers

Variable	Identified cases	Procedure
Primary stakeholders	126, 139, 152, 164	Case(s) deleted
Secondary stakeholders	151, 138	Case(s) deleted
Level of concern	127, 153, 125	Case(s) deleted
Firm size	166	Case(s) deleted
Firm age	140	Case(s) deleted

### Appendix (5): Independent sample test between early and late respondents

<b>Early Respondents Statistics</b>				
	N	Mean	Std. Deviation	Std. Error Mean
Firm Age	48	2.40	.494	.071
Level of Concern	48	6.4115	.79975	.11543
Primary Stakeholders	48	6.4833	.68021	.09818
Secondary Stakeholders	48	5.5521	.86327	.12460
Firm Size	48	3.75	.438	.063
Affected by Terror	48	.60	.494	.071
Terrorism Prone Location	48	.52	.505	.073

<b>Late Respondents Statistics</b>				
	N	Mean	Std. Deviation	Std. Error Mean
Firm Age	60	2.38	.524	.068
Level of Concern	60	6.5583	.61473	.07936
Primary Stakeholders	60	6.6000	.54617	.07051
Secondary Stakeholders	60	5.6188	.52653	.06798
Firm Size	60	3.65	.515	.066
Affected by Terror	60	.58	.497	.064
Terrorism Prone Location	60	.52	.504	.065

## Appendix (6): Common method bias test

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.196	43.301	43.301	5.196	43.301	43.301
2	2.123	17.688	60.989			
3	1.189	9.906	70.895			
4	1.011	8.422	79.317			
5	.721	6.009	85.326			
6	.570	4.748	90.075			
7	.407	3.389	93.464			
8	.352	2.930	96.394			
9	.209	1.742	98.136			
10	.128	1.065	99.201			
11	.078	.647	99.848			
12	.018	.152	100.000			
Extraction Method: Principal Component Analysis.						